TCS/SE/35/2021-22

May 24, 2021

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Mumbai-400051
Symbol: TCS

BSE Limited
P. J. Towers, Dalal Street,
Mumbai-400001
Scrip Code No. 532540

Dear Sirs,

Sub: Intimation under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is further to our letter dated May 18, 2021 wherein the Company has filed with the stock exchanges the Integrated Annual Report for FY 2020-21, including the disclosures on GRI Annexures – Stakeholder Engagement Framework, Identification of Material Topics and GRI Content Index. Ernst & Young Associates LLP has now issued Independent Assurance Statement dated May 19, 2021 on the Integrated Annual Report of the Company for FY 2020-21 which is included as part of the Integrated Annual Report and is enclosed herewith. This is also available on the Company's website www.tcs.com as well as the website of the National Securities Depository Limited https://www.evoting.nsdl.com.

This is for your information and record.

Thanking you,

Yours faithfully,
For **Tata Consultancy Services Limited**

Rajendra Moholkar
Company Secretary

cc:
1. National Securities Depository Limited
2. Central Depository Services (India) Limited
3. TSR Darashaw Consultants Private Limited



TATA CONSULTANCY SERVICES

TATA

Building on belief

Integrated Annual Report 2020-21

Backdrop: The iconic campus of the Tata Research Design and Development Center at Hadapsar in Pune, India

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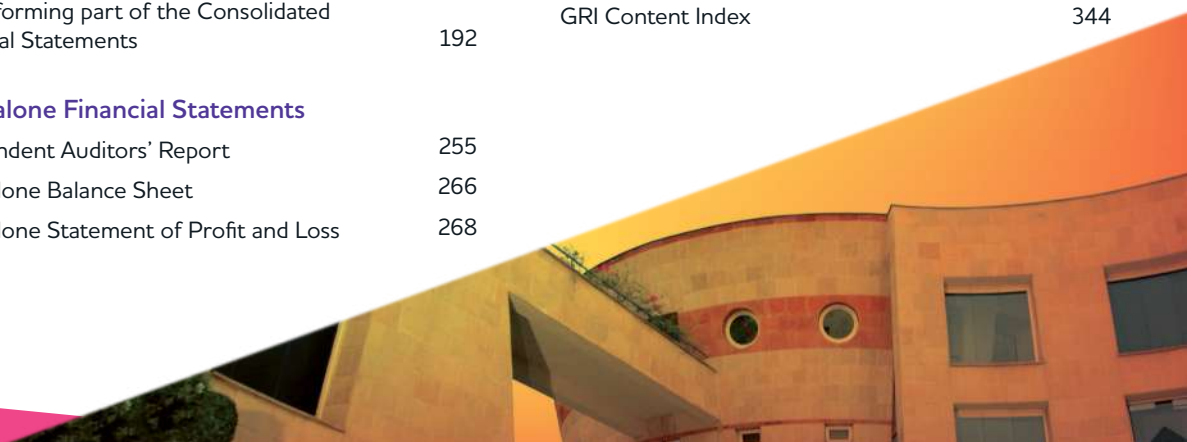
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About TCS[1]

Tata Consultancy Services is an IT services, consulting and business solutions organization that has been partnering with many of the world's largest businesses in their transformation journeys for over 50 years. TCS offers a consulting-led, cognitive powered, integrated portfolio of business, technology and engineering services and solutions. This is delivered through its unique Location Independent Agile™ delivery model, recognized as a benchmark of excellence in software development.

A part of the Tata group, India's largest multinational business group, TCS has over 488,000 of the world's best-trained consultants in 46 countries. The company generated consolidated revenues of US $22.2 billion in the fiscal year ended March 31, 2021, and is listed on the BSE (formerly Bombay Stock Exchange) and the NSE (National Stock Exchange) in India.

TCS' proactive stance on climate change and award-winning work with communities across the world have earned it a place in leading sustainability indices such as the MSCI Global Sustainability Index and the FTSE4Good Emerging Index. For more information, visit us at www.tcs.com.

Theme

This year's theme is TCS' new brand statement, `Building on Belief', which encapsulates the active and collaborative role that TCS plays in partnering with customers over the long term, leveraging its contextual knowledge, investments in research and innovation, and technology expertise to help them grow, and achieve their purpose-led transformation goals.

Forty years ago, the farsighted and pathbreaking decision to set up the Tata Research, Design and Development Center (TRDDC) in Pune, epitomizes this theme. It was driven as much by FC Kohli's passion for research as JRD Tata's belief in building the nation's intellectual capital through institutions of higher education and research in different domains.

With a mandate to pursue technology research across a broad set of domains for the betterment of Indian industry, TRDDC went on to make outstanding contributions particularly in the area of industrializing software engineering, systems engineering, material sciences, bio-informatics and genomics. Much of TCS' intellectual property and its award-winning suite of products and platforms, all of which differentiate TCS significantly in the market today, owe their genesis to work done by TRDDC.

Recent Annual Report Themes



FY 2020
Purpose-Driven. Resilient. Adaptable



FY 2019
Growth and Transformation with Business 4.0™



FY 2018
Dawn of Business 4.0™



FY 2017
Reimagining the Enterprise



FY 2016
Shaping the Future

[1] 102-1, 102-5, 102-7

Board of Directors

Non-Independent, Non Executive



N Chandrasekaran
Chairman
C C M



Aarthi Subramanian
M M

Independent, Non Executive



O P Bhatt
C M M



Don Callahan
M M

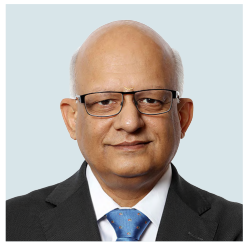


Keki M Mistry
C C M

Non-Independent, Executive



Rajesh Gopinathan
CEO & MD
M M M



N G Subramaniam
COO
M M



Dr Pradeep Kumar Khosla
C M



Hanne Birgitte Breinbjerg Sorensen
M M

Average Age (Years)

60

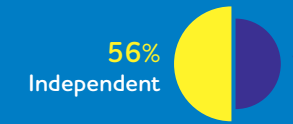
50 — 70

Average Tenure on the Board (Years)

5

2 — 14

Board Independence (%)



Average Tenure of Independent Directors on the Board (Years)

4

2 — 9

Board Committees

C Chairman M Member

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Executive Committee
- Risk Management Committee*

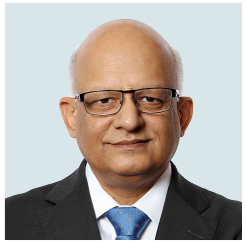
* Ramakrishnan V (Chief Financial Officer), is also a member of the Committee

Management Team

Corporate



Rajesh Gopinathan
Chief Executive Officer and Managing Director



N G Subramaniam
Chief Operating Officer and Executive Director



V Ramakrishnan
Chief Financial Officer



Milind Lakkad
Chief Human Resources Officer



Samir Seksaria
Head - Business Finance and CFO Designate



Rajashree R
Chief Marketing Officer



K Ananth Krishnan
Chief Technology Officer



Madhav Anchan
General Counsel Legal and Corporate Affairs



Rajendra Moholkar
Company Secretary

Business Heads



Surya Kant
Chairman - TCS North America



Krishnan Ramanujam
Business and Technology Services



K Krithivasan
Banking, Financial Services and Insurance



Shankar Narayanan
Retail, Travel and Consumer Products



Kamal Bhadada
Communication, Media and Information Services



Amit Bajaj
North America



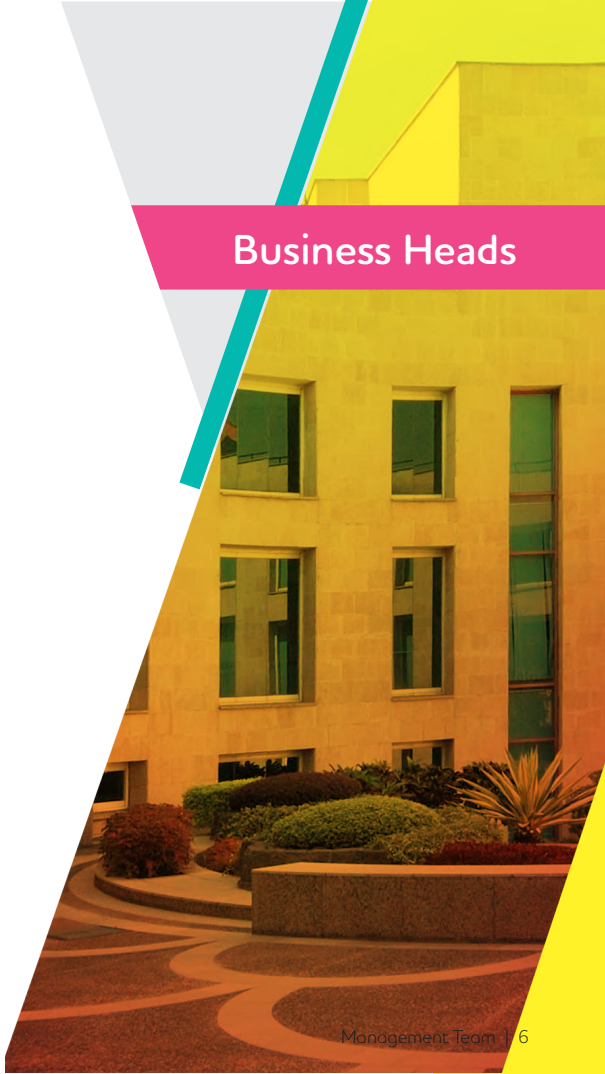
Suresh Muthuswami
BFSI Platforms



Susheel Vasudevan
Manufacturing and Utilities



Debashis Ghosh
Life Sciences, Healthcare and Public Services





Letter from the Chairman

Dear Stakeholder,

Even as I write this, India and many other parts of the world are in the grip of second or even third waves of the pandemic, much fiercer than anything we saw last year. It is a health crisis of the kind we have not seen in generations. My heart goes out to everyone out there who has suffered the loss of loved ones. I am confident we will eventually get it under control, but until then, I urge you to stay safe, follow covid discipline, get vaccinated if you are eligible and keep your spirits up.

On the business front, your company weathered the pandemic very well. It adapted quickly and embraced a new operating model that prioritized the health and wellbeing of its employees, while enabling it to continue supporting its customers not just in their mission-critical operations but also in their growth and transformation journeys. Its Vision 25x25 and pioneering work around talent clouds have reinforced its credentials as a thought leader on the future of work, and a trend setter in the industry.

TCS' agility, resilience and responsiveness during the crisis earned it tremendous goodwill from customers and enhanced its standing in the market. After the initial impact from lockdown-related disruptions, it swiftly returned to a sharp growth trajectory over the next nine months, and exited the year on a very strong note, with an expanded market share, industry-leading profitability and an all-time high order book.

Technological change is far more perceptible when it comes to consumer technology, and less so in the enterprise world. Enterprise adoption of new technologies tends to be very measured, and it is only much later, with the benefit of hindsight, that the scale of change and the key inflection points become more evident. To my mind, the year gone by saw an important inflection point that has huge ramifications on enterprise consumption of technology in the coming years, and on demand for your company's services.

The pressing need for operational resilience and for enhancing customer experiences in digital channels accelerated enterprise decision-making, committing to future technology investments around the all-encompassing hyperscaler cloud stacks. This represents an important inflection point in the enterprise embrace of the cloud, and will drive significant spending on migrating workloads to public clouds in the coming years.

Moving workloads to the cloud is just the start of their digital transformation journeys. The rich native capabilities of these stacks, particularly in the areas of analytics, machine learning and artificial intelligence open up a vast array of possibilities for enterprises to pursue new business models, address new customer segments, and provide highly personalized, differentiated experiences across the entire customer journey.

Your company is very well positioned to benefit from this multi-year technology upgradation cycle, and help customers translate their transformative visions into reality. To better articulate its mission and its aspirations, your company adopted a new brand statement this year, `Building on Belief'. I think it describes what TCS does very accurately, and also reflects the ethos of the Tata Group and its evolution over the last century and a half.

Your company has been guided by a set of strong beliefs, right from the time it was founded. Belief in our core values, belief in putting the customer above all, belief in investing in people and empowering them, belief in constantly trying out new ideas and models, and belief in doing right by all the stakeholder communities we work with. This is why the new brand statement resonates so well, and feels so right.

Looking ahead, your company sees immense opportunities for growth, riding the new technology cycle that has kicked off, powered by the belief that its differentiated capabilities and collaborative, solution-centric approach makes it the preferred transformation partner of its customers. It is building on that belief, and investing in sharpening the capabilities needed to expand its footprint in this large opportunity.

Your company has been guided by a set of strong beliefs, right from the time it was founded. Belief in our core values, belief in putting the customer above all, belief in investing in people and empowering them, belief in constantly trying out new ideas and models, and belief in doing right by all the stakeholder communities we work with.

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

Warm regards,

N Chandrasekaran
Chairman



Letter from the CEO[1]

Dear Stakeholder,

It has been a difficult year for everybody. Despite the ferocity with which the second and third waves of the pandemic are now hitting us, we are in a far better place as we exit FY 2021 than we were at the start. With a plethora of vaccines and new therapies that modern science and the pharmaceutical industry have delivered at unmatched speed, humanity is not as helpless as when the pandemic first struck. We are a resilient and adaptable species. With discipline, focus and fortitude, we shall overcome.

Our business performance in the year gone by is also a reflection of that innate resilience and adaptability. In the early months of the pandemic, when the worldwide lockdown disrupted economic activity across virtually all sectors, your company responded with speed and agility, embracing a new operating model, Secure Borderless Workspaces (SBWS™). Working remotely, our teams helped customers maintain business continuity during peak disruption, and thereafter, to accelerate their growth and transformation (G&T). The dedication shown by TCSers, our agility and our innovation, won us much appreciation from our customers, and incremental business.

Despite a sharp fall in revenues in the first quarter, progressively strengthening demand for our services helped us stage a swift recovery during the rest of the year, helping clock full year revenues of **₹164,177 crore** in FY 2021, growing **4.6%** over the prior year in reported terms, and degrowing by **0.8%** in constant currency terms.

The uneven impact of the pandemic on the different sectors shows up clearly in our segmental reporting. Three of our six industry verticals showed growth (in constant currency) over the prior year. As is to be expected in a pandemic year,

[1] 102-14

when the world looked to the pharma majors to save humanity from the scourge of disease, our Life Sciences and Healthcare business grew **17.1%**. The other two verticals were Banking, Financial Services and Insurance which grew **2.4%**[1], and Technology and Services which grew **0.2%**.

Our operating margin continued to be industry-leading at **25.9%***, an expansion of **1.3%*** over the prior year. Net profit was **₹33,388 crore***, a net margin of **20.3%***. Our cash conversion continues to be very strong, with a cash conversion ratio of **116.2%*** and free cash flow of **₹35,663 crore**, growing **21.8%** over the prior year.

The Board has recommended a final dividend of **₹15** for the year, bringing the total dividend for the year to **₹38** per share. In keeping with our shareholder friendly capital allocation policy, your company has paid out **₹33,873 crore** in dividends and a buyback in FY 2021, amounting to **95%** of the free cash flow.

Strong Business Momentum

Demand was driven by the confluence of two big trends. First, with consumers preferring contactless, digital transactions, enterprises were forced to rely more on their digital channels, and in some cases, switch entirely to online-only modes, triggering a lot of investment in not just front-end transformations and personalization of the customer experience, but also at the back end, to simplify and digitize processes, reduce turnaround times for customer service requests and enhance the end-to-end customer journey.

Second, the pandemic drove home the downsides of carrying technology debt, and the need for greater resilience and agility within enterprises. This resulted in several core transformation engagements around building a lean, secure and adaptive digital core, encompassing operations, digital workplaces, applications, data, the underlying infrastructure and cybersecurity.

In terms of technology choices, both these drivers converged on the hyperscaler cloud stacks, also known as public clouds. FY 2021 will be remembered as the year when many enterprises took the leap and committed to channeling their future technology investments into one or more of these cloud stacks, significantly accelerating what had been a measured movement over the last few years.

This decision triggered many engagements around cloud migration, application modernization and data modernization. As a precursor to the core transformation and cloud migration, many customers are revisiting their current operations to look for opportunities for optimization and to free up resources to support their core transformation. Some customers embarked on significant operating model transformations as they sought out strategic partners with strong capabilities and shared values. There was also increased activity around traditional outsourcing.

These trends resulted in a steady and strong flow of deals of all sizes, across all our industry verticals, throughout the year. We had two large deal wins, with Deutsche Bank and with Prudential Financial Inc respectively, that saw us strengthen our German presence and establish a strong local presence in Ireland. The order book signed every quarter was higher than that in the prior year. We closed the year with an all-time high quarterly TCV of **$9.2 billion**. The full year order book was **$31.6 billion**, our highest ever, representing a growth of **17.1%** over the prior year.

We see this technology shift as the start of a multi-year technology upgradation cycle in which the abundance of native capabilities will constantly expand the art of the possible, opening up newer opportunities for technology-driven differentiation.

[1] Excluding Regional Markets and Others

*Excluding an exceptional item provided towards a contested legal claim

A Multi-year Technology Cycle

The enterprise embrace of the hyperscaler cloud has ramifications that go beyond the current year, extending to the medium and the longer term as well. This is a decadal technology shift that goes far beyond just the server and storage aspects of the IT infrastructure, and represents a crystallization of technology choices at a much broader level.

This is because all the major hyperscale providers have been steadily building out their technology stacks over the last few years, expanding the offerings to include richer native choices around databases, data warehouses, applications and even cutting-edge tools like machine vision, conversational systems, AI, ML and IoT. Today's public cloud is no longer just a very large and inexpensive third-party data center, but a holistic, all-encompassing technology ecosystem. Once an enterprise enters this ecosystem, it is virtually certain that all of its future innovation and technology programs will stay within that ecosystem.

So we see this technology shift as the start of a multi-year technology upgradation cycle in which the abundance of native capabilities will constantly expand the art of the possible, opening up newer opportunities for technology-driven differentiation.

Of course, the technology by itself doesn't deliver differentiation. If anything, cloud models are predicated on standardization and commoditization. Differentiation takes place when enterprises invest in bespoke solutions that harness the native capabilities of the cloud, and are contextualized to each customer's unique circumstances, which amplify their unique strengths, and manage the nuances and idiosyncrasies to reduce risks. This is exactly what we have been doing for our customers over the last few years, leveraging our deep contextual knowledge of their business and technology landscapes, our research and innovation, intellectual property and expertise across digital technologies.

Given the ever-increasing reliance of enterprises on technology to drive differentiation, and to power their growth and transformation, we see our customers' cloud transformation journeys play out over three horizons, spread over the next three to five years and beyond.

The events of FY 2021 have kickstarted the journey across the first of those horizons for many enterprises. Migration to the cloud, by itself, is a material transformation program that will play out over the next two to three years, depending on the complexity of the IT landscape. The outcome of this first phase of transformation will be a resilient, future-ready digital technology stack that supports leaner, more agile operations and serves as a scalable foundation for growth and the subsequent horizons of transformation.

Enterprises will start realizing the full value of their cloud investments in the subsequent two horizons. In the second horizon, we expect to start helping our customers leverage the rich native capabilities of these stacks around analytics, AI and ML to build new systems of customer engagement, new systems of differentiation and experiment with new business models.

As more and more enterprises get on to this journey, the cloud will become the seamless technology fabric that will bring together enterprises from across industries to form collaborative ecosystems which co-innovate around their individual products and services. It will help launch larger, purpose-driven offerings, each representing much more value to

Our verticalized, customer-centric organization structure has helped us foster domain and contextual knowledge within the Industry Solution Units. Our sustained investments in organic talent development, in research and innovation, and in creating intellectual property have helped build up solutioning expertise and boost our innovation credentials.

their common customers than the sum of its parts. We believe this boundaryless innovation has the power to change industry after industry. Given our deep domain knowledge across multiple industry verticals, and our work on innovation at their intersections, it presents us an opportunity to be the transformation agents and potential orchestrators of such ecosystems.

Building on Belief

With many of our customers embarking on multi-year, enterprise-wide transformation journeys, we are very well positioned to benefit from this expanding opportunity. Most importantly, we believe that this represents a unique opportunity to redefine how enterprises have traditionally approached transformations.

We believe that enterprises can build sustainable, inclusive, and greater futures for their stakeholders by adopting an organic, inside out transformation model, rather than outside in, externally driven standardized change agendas. Our own journey over the last two decades in one of the most competitive industries in the world highlights the strengths of this approach. Our transformation approach values the collective knowledge between us and the customer, and combines it with a deep understanding of technologies and an innovation mindset to build their aspirations into reality.

This differentiated approach is helping us win several G&T engagements that represent a promising beachhead in a market where our participation has been quite low traditionally.

We are very proud of this early success. Our path to getting to where we are today, systematically investing to acquire the necessary capabilities and customer mindshare, has been very differentiated, very organic and very TCS. Our verticalized, customer-centric organization structure has helped us foster domain and contextual knowledge within the Industry Solution Units. Our sustained investments in organic talent development, in research and innovation, and in creating intellectual property have helped build up solutioning expertise and boost our innovation credentials. Moreover, we have created structures that help stitch together different capabilities from across TCS to put together holistic solutions that help our customers achieve their business objectives.

Our focus and investments will now be on growing further and gaining more market share in this space. Towards this, we are investing in deepening our transformation capabilities. While we stay open to inorganic acquisitions, our focus and commitment to organic talent development remains unwavering.

In addition to hiring more management graduates, we are scaling up our highly successful Contextual Masters program, that identifies individuals who have developed deep contextual knowledge on the job and are using that to create value for our customers. We have launched newer learning and development initiatives that will identify high potential candidates and put them through experiential courses that will help them become more effective transformation leaders. We are strengthening our partnerships with large technology providers as well as startups, academia and domain specialists towards co-innovating and collaborating to create new service offerings.

We also refreshed our brand last month, and launched a new brand statement, `Building on Belief', to reflect who we are today, and to support our, and our customers' aspirations in the G&T space. It celebrates the power of reinvention and instils hope into business and trust in the enterprise.

We are entering FY 2022 with strong growth momentum and with much better visibility for future growth than we did last year, powered by a strong order book built up throughout the year and a robust deal pipeline.

We also refreshed our brand last month, and launched a new brand statement, `Building on Belief', to reflect who we are today, and to support our, and our customers' aspirations in the G&T space. It celebrates the power of reinvention and instils hope into business and trust in the enterprise. Our belief conveys our optimistic outlook and reflects our limitless potential to create greater futures.

Purpose, People, Planet

I have spoken earlier[2] about how a purpose-driven approach can infuse greater resilience, adaptability and innovation within the organization, and drive greater rootedness in the community. In FY 2021, alongside a new brand statement, we also articulated our core purpose: building greater futures through innovation and collective knowledge.

The first three words capture our forward-looking worldview very well. We truly believe that everything we do should result in better outcomes, and therefore greater futures, for our stakeholders. The emphasis on innovation and collective knowledge represents core tenets of the belief system that has sustained TCS over the last five decades, and shaped our culture and guided our strategy.

It was this purpose-led approach which helped us keep our employees safe and well even during the bleakest phases of this pandemic. The proactive outreach of our HR, touching over 400,000 employees, the 24/7 medical hotline, online counseling services, and virtual sessions to foster physical and emotional wellness brought us all closer together during the year. We tied up with ambulance services and hospitals and set up isolation centers and quarantine accommodation at our facilities to help employees cope with the disease and to ease the load on stretched local medical infrastructure.

Our emphasis on organic talent development is a natural outcome of this belief system, to help our employees realize their potential. TCSers collectively logged **43 million** learning hours in FY 2021, building expertise in a broad range of digital technologies that will be critical to our customers' transformation needs.

We honored all the job offers we had made pre-pandemic, and also onboarded all the trainees to whom we had given offer letters. We had our normal annual salary increase in October, and promotions as well. In line with the strong recovery in demand, we also ramped up our lateral hiring during the second half of the year and ended the year with a net addition of **40,185**. By onboarding over 60,000 freshers over the last couple of years and training them on the technologies most in demand, we have created for ourselves, a secure talent pool to support the growth ahead.

While this influx of fresh talent is very important for our growth, even more critical has been our ability to consistently retain the talent that we have cultivated and grown in the organization. This year, we set a new benchmark in talent retention. Our attrition in IT services was **7.2%**, the lowest in the industry globally, and an all-time low by our own standards.

[2] Letter from the CEO, Integrated Annual Report, FY 2019-20

We continued to work with communities across the world, pursuing our long-standing commitment to programs in the areas of health, STEM education, skills development and the bridging of digital divides. In addition, we helped in the fightback against the pandemic. Our researchers used AI to identify promising new molecules which could potentially inhibit the spread of the virus. Our data marketplace solution is powering a critical national initiative to double India's COVID testing capacity.

Even more fulfilling is the work we do for our customers which helps further their mission to save lives. In the Life Sciences domain, our teams used our innovative platform to streamline drug development processes, speed up clinical trials, and help pharma companies rush new therapies and vaccines to the market. At a time when the world desperately needed more ventilators and manufacturers were struggling to increase production, our team worked with the engineers at GE Healthcare to automate the late-point configuration of ventilators. This reduced the production time per ventilator by 6 minutes, enabling production of an additional 340 ventilators per month, helping ease suffering and saving lives.

On the environment front, while I am pleased that our large-scale switch to remote working helped us cut our absolute carbon footprint by 48.8% over the prior year, we are working on a longer-term roadmap to neutralize our carbon footprint and bring down atmospheric carbon towards helping the world reach net-zero levels by 2050.

Our Vision 25x25 will be pivotal in this fight for our planet. Equally important is the leading role we are playing in helping our customers become more energy efficient, whether it is by deploying our Clever Energy solution that uses IoT and AI to remotely monitor and optimize energy consumption across distributed facilities, or by helping them switch from energy-inefficient in-house data centers to more efficient public clouds.

Looking Ahead

We are entering FY 2022 with strong growth momentum and with much better visibility for future growth than we did last year, powered by a strong order book built up throughout the year and a robust deal pipeline. In the medium and longer term, we see strong structural growth drivers triggered by the multi-year technology refresh cycle that our customers are embarking on, and their increased focus on G&T initiatives.

The G&T opportunity is very large, and yet to be fully scoped. The transformation imperative will only strengthen over time, and as new technologies emerge, new combinatorial possibilities will open up, driving further investments by our customers. So we believe this market will see tremendous growth in the coming years.

That puts us in a very advantageous position. In addition to the large outsourcing opportunity which we continue to dominate, we are now entering a large, growing opportunity that significantly expands our addressable market. It is an exciting growth journey we are embarking on for the next few years. We thank you for your trust and look forward to your continued support on the journey ahead.

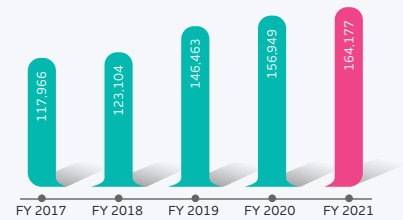
Best Regards,

Rajesh Gopinathan
Chief Executive Officer & Managing Director

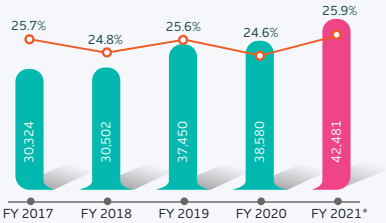
Performance Highlights[1]

Revenue Trend

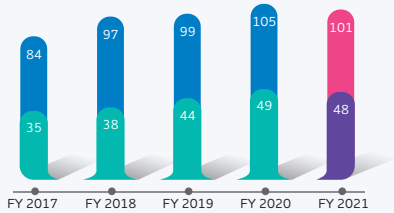
CAGR 8.6%



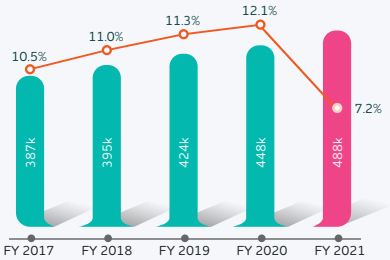
Operating Profit Trend



Client Metrics

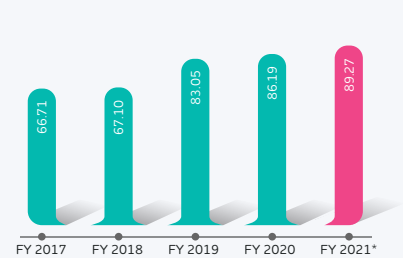


Employee Metrics



Earnings per share^ (Amount in ₹)

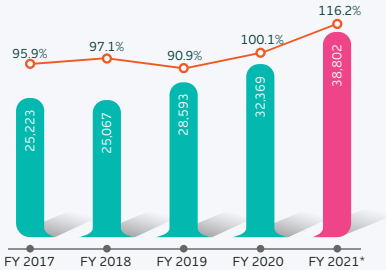
CAGR 7.7%



^Earnings per share is adjusted for bonus issue

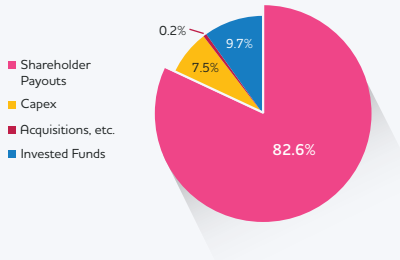
OCF# and Cash Conversion

₹ crore



Operating Cash Flow

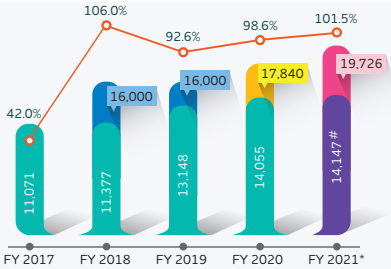
Cash Usage##



Cash usage for the period FY 2017 to FY 2021

Shareholder Payouts

₹ crore



Includes proposed final dividend

* FY 2021 numbers are excluding provision towards legal claim

[1] 201-1

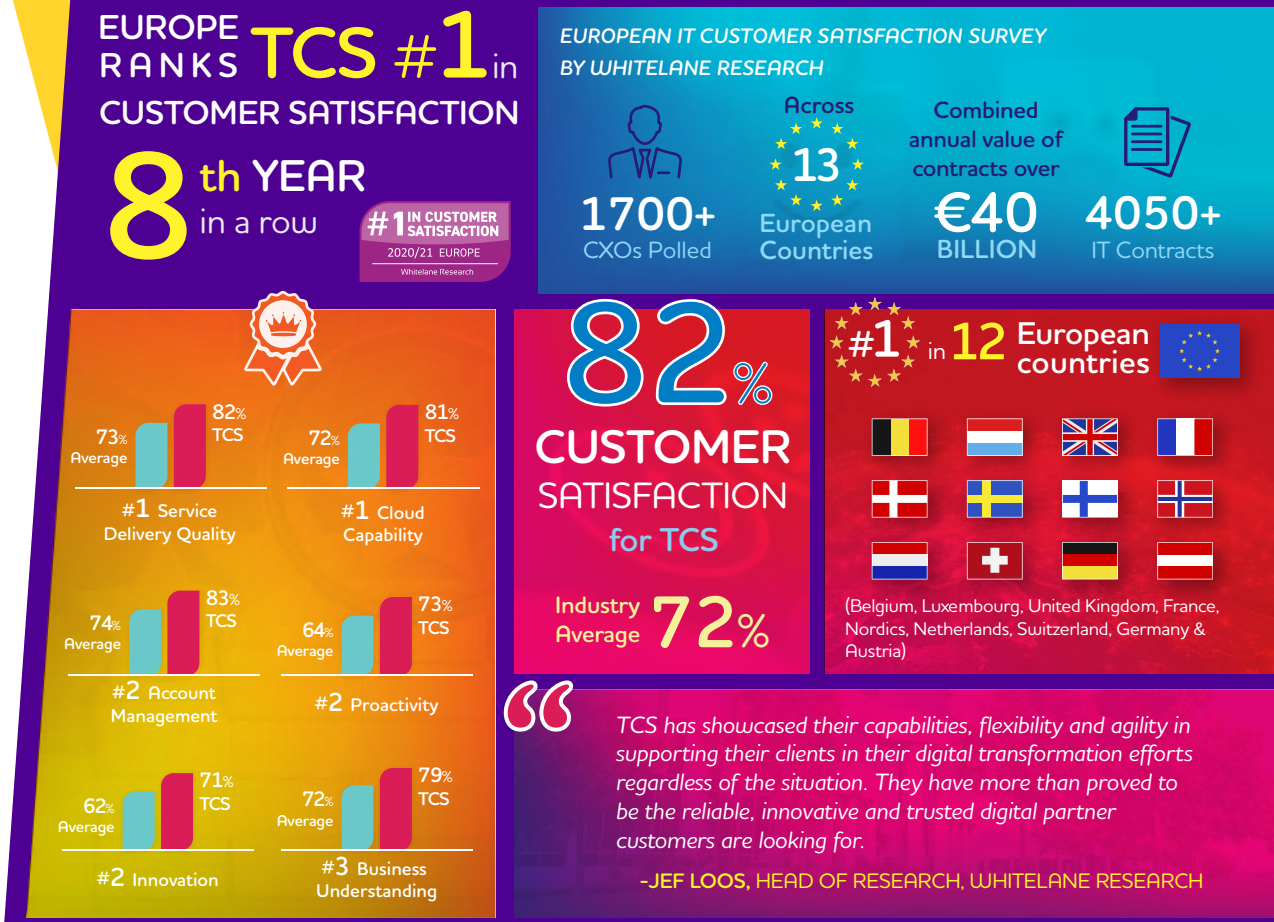
The Year Gone By

Q4 Unveiled a new brand statement, **'Building on Belief'**, to articulate TCS' mission and relationship with customers, and putting its vast experience in purpose-led transformation at the core of its brand story as it embarks on its next decade of transformation-led growth.

Ranked #2 in the PEAK Matrix® IT Service Provider of the Year: ITS Top 20 by Everest Group, for being a Leader in 18 evaluations and a Star Performer in 4, in 2020. Additionally, TCS was named the **Leader of the Year** in Application Services and in Life Sciences, and the **Star Performer of the Year** in Healthcare.

Launched the **TCS COVID-19 Testing and Vaccine Management Suite** of modular, easy-to-deploy solutions that leverage AI, robotics, blockchain and the Internet of Things (IoT) to streamline every stage of the end-to-end testing and vaccination journeys, enabling more individuals to get tested and vaccinated faster and return to normal life experiences.

Completed the **third successful share buyback** in four years, to the tune of **₹16,000 crore** at ₹3,000 per share, through the tender offer route, extinguishing 5.3 crore equity shares, representing about 1.42 percent of the total equity.



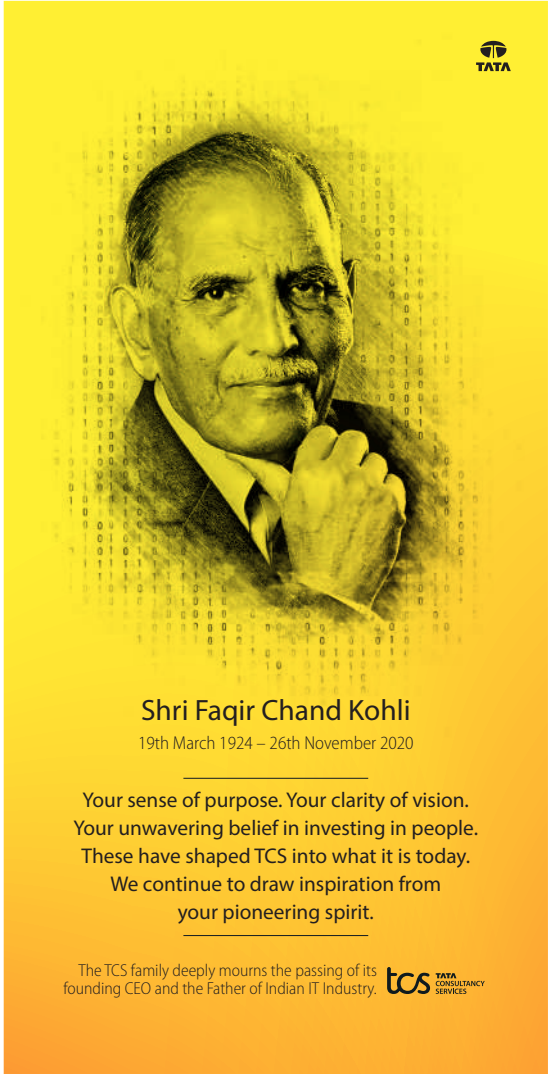
*BASED ON STUDIES CONDUCTED BY WHITELANE RESEARCH, PA CONSULTING, QUINT WELLINGTON REDWOOD, NAVISCO AND VLERICK BUSINESS SCHOOL IN 2020.

Ranked **#1 in Customer Satisfaction** across Europe in an independent survey of 1,700 CxOs of top IT spending organizations by Whitelane Research. Additionally, in the individual country rankings, TCS was **ranked #1** in UK, France, Germany, Austria, Switzerland, Netherlands, Belgium, Luxembourg and the Nordics.

Ranked among the **Top 3 brands in IT services** by Brand Finance; TCS clocked the highest absolute brand value growth in the sector in 2020 and was named the fastest growing brand in the industry over the last decade (2010-2020).

Q3 Augmented the Banking Service Bureau built and run by TCS for the digital banking industry in Israel, with a new transformative **Digital Bank Guarantee platform**, powered by the Quartz® Blockchain solution. Bank Hapoalim, Israel's largest bank that manages over 30% of the total bank guarantees in the country, is the anchor customer for the SaaS platform.

Launched **TCS Clever Energy™**, an energy and emission management system that uses a digital twin setup based on IoT, AI and cloud, to help commercial and industrial organizations manage their energy consumption better, drive energy and cost efficiencies, decrease carbon emissions, and accelerate their carbon neutral journeys.



Mourned the passing of **FC Kohli ("FCK"), TCS' first CEO**, and the Father of the Indian IT Industry, at the age of 96. FCK came on board in 1969 and led the company for the next 27 years, navigating multiple technology waves by continually investing in people and in research and innovation.

Established a **strategic partnership with Prudential Financial Inc (PFI)**, that saw over 1,500 employees of Pramerica Systems Ireland Ltd, PFI's Irish subsidiary, transfer to TCS' new global delivery center in Ireland. Besides expanding the PFI relationship, the new center enhances TCS' nearshore capability to provide a range of services to customers in Ireland, the UK, Europe and the US.

Deepened the relationship with Deutsche Bank by acquiring its subsidiary, **Postbank Systems AG (PBS)**, its full-range IT captive that provides project management, application management and infrastructure support services. The addition of **PBS'** 1,500 employees further adds to TCS' scale in Germany, and strengthens its growth outlook.

Selected as a **Superbrand**, in the US and UK, based on the strength of its brand reputation across channels, business performance, industry-leading job creation, scale of employee training and development, and dedication to nationwide corporate social responsibility initiatives.

Q2 Launched new cloud practice units to gain leadership in the rapidly expanding opportunity around the three major hyperscale platforms – AWS, Microsoft Azure and Google Cloud Platform. Each unit is a full-service, multidisciplinary organization offering customers the full range of transformational and operational services on the respective technology stacks, spanning advisory services, migration, application and data modernization, including SaaS and enterprise productivity suites, infrastructure, cyber-security and edge.

The **Contextual Masters program** that recognizes experienced TCSers who demonstrate high levels of contextual knowledge, crossed the 10,000 masters milestone. Contextual knowledge is highly valuable tacit knowledge about a customer's business, operations and technology landscape, acquired on the job by immersing oneself into that environment, a key differentiator for TCS.

Operationalized 10 new **Threat Management Centers**, at Bloomington, Minnesota – US, Manchester – UK, Madrid – Spain, as well as at major Indian cities. These will offer comprehensive and integrated cybersecurity and threat management services across IT, OT, IoT and cloud ecosystems, helping customers stay secure and cyber-resilient while meeting local data- and cyber-sovereignty regulations.

Ran a TV campaign in India for the first time, titled **#TCSPartOfYourStory**, showcasing the central role played by TCS in building the technology backbone of Digital India, transforming various sectors, and becoming part of every Indian's life.

Launched **TCS Safe Workplace**, a return-to-work solution for global enterprises that uses existing enterprise platforms to create a workplace command center that assesses the readiness of employees, the work environment and the workforce model; automates the return-to-work processes, including contact tracing, shift management, and workspace planning; and monitors critical risk factors.

Opened up the game-changing **National Qualifier Test (NQT)** to other corporates, making it a common gateway test for fresher recruitment. This standardized test will provide candidates with access to open positions at multiple corporates, while helping corporates get an in-depth understanding of applicants' cognitive abilities and reduce evaluation overheads.

Ranked **#2 by revenue** in the UK market for software and IT services in TechMarketView's UK SITS rankings, up from #5 in 2019. Further, based on revenues earned, TCS was ranked #1 in Applications and #2 in Consulting and Solutions.

Built and deployed a blockchain-based digital supply chain platform, powered by the **TCS Data Marketplace solution**, to support Indigenisation of Diagnostics, an ambitious new project launched by the Government of India to scale up indigenous Covid-19 diagnostic test-kit production capacity to a million test kits a day.



Q1 Held India's **first ever virtual AGM**, enabling participation by a record number of shareholders from different parts of India, some of them for the very first time. Access to the videoconference was from the NSDL e-voting page, seamlessly linking the event to the online voting process as well.

Successfully deployed **TCS DynaPORT**, a state-of-the-art terminal operating system at Tilbury2 Ro-Ro, London's latest freight ferry terminal. TCS implemented this solution in under twelve weeks, 100% virtually during the COVID-19 lockdown, leveraging the Secure Borderless Workspaces™ (SBWS™) model.

Launched a SaaS version of the ignio™ suite of autonomous software. Further, the suite was expanded to include three new products: **ignio Cognitive Procurement** to help enterprises make smarter purchase decisions, **ignio AI.Digital Workspace**, a self-healing, end-user experience management software, and **ignio Studio**, a low-code toolkit that allows customers to extend the out-of-the-box capabilities of the ignio software suite.

Offered free of cost access to **TCS iON Digital Glass Room**, a virtual learning platform, to educational institutions in the US, Europe and India, to enable educators and students to connect in a secure virtual environment, moving lessons from classrooms to interactive digital glass rooms.

Fully institutionalized the **SBWS operating model** and also replicated it for customers. The model was strengthened with additional analytics and extended to cover the end-to-end customer engagement lifecycle, including prospecting, sale and even new project ramp ups.







TRDDC: Built on a Belief in the Future

The idea of setting up a technology research center in India, when none existed, was born out of a core belief that the future would be shaped by computers, and that R&D was key to value creation. For FC Kohli ("FCK"), the visionary who helmed TCS in its start-up years, the complete lack of technology research in India in the 70s was simply unacceptable. Around 1980, having launched TCS' global ambitions with the first overseas office in New York, he turned his attention to this problem.

He commissioned academicians at MIT and the University of Waterloo to think through the scope and mandate of such a center, and come up with a report. He pulled in Prof E C Subba Rao, who was teaching at IIT Kanpur to drive this endeavor. At the time, an industrial research center by a business house was unheard of in India. But the House of Tatas, with its history of pioneering many other firsts, was best suited for it. JRD Tata was very supportive. He was keen that the Group establishes an institution that would apply science and technology for the benefit of Indian industry and people.

So it came to be that FCK's dream was realized on October 8, 1981, the new Tata Research Design and Development Centre (TRDDC), was officially open. Right from the start, TRDDC's mandate was broad, researching problems not just in IT, but also in other domains. This too was an outcome of FCK's belief that "*computers would be the tool that all industry would use, willy-nilly, in the future.*"

Mastering Automation

A core research theme at TRDDC in its early years was a topic close to FCK's heart – the automation of software development. The technology landscape in the 80s was in a state of ferment, with newer, more powerful computers, operating systems, databases and programming languages. But software was still hand coded and very artisanal. So customers wishing to upgrade were dissuaded by the effort and cost of re-engineering their existing systems.

TRDDC built language translators, converters and compilers using which TCS was able to win many of these upgradation opportunities. It used automation to transform the legacy systems much faster, and with higher quality, reliability and traceability than its competitors of that era. TRDDC's tools foundry represented the ultimate conversion toolset, automatically generating compilers for any source and target programming language. Depending on the needs of individual projects, compilers could be created on demand and shipped to those project teams.

Continued research around software engineering and systems engineering culminated in the development of a suite of software tools that could extract business logic from legacy code, and automatically generate high quality code in any desired programming language from a model. These resulted in the TCS MasterCraft™ suite of intelligent automation products that is today the mainstay of customers' application and data modernization programs as part of their cloud transformation journeys.

Innovating at the Intersections

TCS' collaborative approach to co-innovation with customers, leveraging collective knowledge, which is helping it differentiate itself in the growth and transformation market today, has its roots in how TRDDC engaged with its clients in those early years. In an interview[1], Subba Rao recalled, "*The two sides had lots of dialogue. This was unlike what most consultants did. We always took the view that the client should be part of the solution. The clients and we published case studies and research papers of successful solutions, jointly.*"

Scientists at TRDDC were an eclectic set. Different research teams, working side by side, made possible cross-pollination of ideas and multidisciplinary research at the intersection of different domains: computing and materials, biosciences, mathematical and behavioral sciences. Such blue-sky research at the intersections of industries is today foundational to TCS' ability to orchestrate purpose-driven, cross-industry ecosystems for boundaryless innovation on the cloud.

Research for Social Good

With its expansive mandate and the Tata Group's guiding ethos, TRDDC took up many research themes around social and environmental issues. These resulted in frugal innovations like low-maintenance water filters for rural areas, eco-friendly cement, award-winning test kits for tuberculosis, and of course, the game-changing Computer-based Functional Literacy software that was to be the mainstay of large-scale adult literacy programs in India and elsewhere.

This tradition of pursuing a broad set of ideas which benefit society at large continues to this day. TCS' Research & Innovation group uses technology for such diverse social causes as helping the differently abled, scaling up Covid test kit production in India, designing tests for biomarkers to predict premature birth, identifying promising molecules for drug development and innovative ways to help customers reduce their carbon footprint.

Founded forty years ago, one of many firsts that TCS pioneered over the last five decades, the Tata Research Design and Development Center lived up to its founder's belief and went on to shape the company's present-day approach to research, innovation, growth and transformation. TRDDC's outstanding contributions over the decades to the company's growth, to the expansion of knowledge and to society truly make it the embodiment of the TCS ethos of building greater futures through innovation and collective knowledge.



[1] Research by Design – Innovation at TCS, 2007



Our strategic partnership with TCS will support our growth ambitions and accelerate our ability to innovate whilst continuing to deliver excellent customer service.

The primary focus has been on migration to TCS' digital and customer centric operating model that helps us take innovative new products faster to market and delivers more personalized experiences to our customers and advisers. The TCS partnership facilitates plug-in partnerships and further improves our digital and innovation capabilities while giving us a cost structure that is an industry benchmark.

Andy Briggs
Group CEO, Phoenix Group

Powering Phoenix Group's Growth Strategy with a Fully Digital Operating Model

Phoenix Group has evolved into the UK's largest long-term savings and retirement business, pursuing a growth strategy that leverages key industry trends to consolidate and scale up its Heritage business, while organically growing its Open business and deepening existing customer relationships to meet broader customer needs as they journey to and through retirement. This in turn supports Phoenix Group in delivering its purpose of helping people secure a life of possibilities.

Phoenix Group's 15-year long partnership with TCS has given it a scalable, customer-centric digital operating model that supports perpetual transformation, driving both aspects of its growth strategy.

At the core of this model is the TCS BFSI Platform for Life & Pensions powered by TCS BaNCS™, which has simplified and modernized Phoenix Group's technology stack, enabled greater innovation through easier and faster design and rollout of new products, and transformed all the processes across the end-to-end customer journey, hyper-automating them with straight-through-processing for faster turnaround times.

By previously consolidating more than 7.4 million policies scattered across disparate systems on the new platform, TCS has helped Phoenix Group retire hundreds of legacy systems, drive synergies from its acquisitions and unlock significant value. It is currently transforming another 6 million policies.

On the front-end, TCS is helping the Phoenix Group enhance and personalize the customer, employer, and adviser experiences, adopting a more data and insights-driven approach. These initiatives have resulted in a 400% increase in site visits to its online customer self-service tool, the use of which has seen an 8x improvement in individual life cover claims processing, as well as 85% of encashment claims settled in under 3 days compared to 12 days on traditional channels. It also has reduced customer complaints and enhanced customer satisfaction. At the new, jointly developed Innovation Hub in Edinburgh, designers and domain experts from both organizations will work with end-users to envision new offerings and innovative experiences.

Partnering with TCS for its growth and transformation is enabling the Phoenix Group to adapt quickly to regulatory and market changes, and provide intuitive, personalized experiences to customers, advisers, and employers on a fully digital platform. With a new operating model that is establishing industry benchmarks in efficiency, agility and customer-centricity, Phoenix Group is set to power ahead with its strategy to capture new growth opportunities.

Enabling Toyo Tire to Launch an Innovative, IoT-powered Business Model

Toyo Tire Corporation, one of the world's leading tire manufacturers headquartered in Japan, seeks to delight its customers with its products through constant technological innovation, enabled by fostering creativity and entrepreneurial thinking.

Recognizing the importance of proper tire maintenance in ensuring safety and maximizing efficiency, Toyo Tire partnered with TCS to explore how technology could be used to help its customers – fleet owners and transport service providers – reduce the time and effort spent in physically inspecting individual tires for wear.

TCS used its Bringing Life to Things™ IoT framework to envision a new automated system that would meet Toyo Tire's vision. The solution uses components of TCS DigiFleet™, its IoT-enabled suite for fleet managers, to automatically gather data on tire conditions from sensors installed on wheels of trucks, buses, and other transport vehicles, help visualize the data, provide real time insights and transmit it to the cloud. This data along with other information is then used by Toyo's proprietary AI model to accurately estimate the extent of wear of the tires.

By partnering with TCS in this journey, Toyo Tire is poised to launch an innovative business model, offering a whole host of predictive maintenance and advisory services to its customers, and powering its future growth.



Customer-centricity, agility and digital innovation have been at the core of Toyo Tire's ability to launch innovative new products and services that delight our customers and create a distinct brand positioning for us.

Our new tire wear estimation model, built in collaboration with TCS, enables an innovative services-based business model that powers our future growth. TCS brought a lot of digital expertise, creative ideas and intellectual property. Their passion for innovation and shared values have made them a key part of our digital innovation journey.

Tetsuo Shimomura
DGM - DX Promotion Division
Toyo Tire Corporation

BUILDING ON BELIEF:
A Panel Discussion



WHAT DOES YOUR NEW BRAND STATEMENT `BUILDING ON BELIEF' MEAN TO YOU AND TO CUSTOMERS?

KAK: Every new idea or innovation is born out of the belief that it will build something better. In research and innovation, belief is central to the survival of an idea at every stage, determining whether it will be picked from among other worthy candidates for further development, or will get past resistance when further progress looks impossible. Only by striving on with passion and faith, can ideas be brought to fruition, making a big difference to the enterprise.

Our new brand statement highlights the role that TCS has been playing in helping customers scale up and accelerate their innovation programs and realize those ideas they truly believe in. By contributing high quality ideas backed by a deep understanding of the customer's business and technology contexts, our teams act as force multipliers, giving customers many more ideas for potential development than they could have managed on their own. This in turn improves their yield - the chances of hitting upon a winning innovation that gives them the competitive differentiation they are looking for.

NGS: Everything that Ananth just mentioned about innovation applies equally to business transformation. To me, digital transformation is innovation applied at scale to an organization's business model, its customer engagement, and its operations. The most successful business transformation programs are those which are purpose-led. We help every customer realize that purpose.

TCS has intrinsically been built on strong beliefs which have profoundly shaped our organization culture. By adopting a purpose-led approach—putting the customer at the center, continually investing in people, and helping them build long, fulfilling careers with TCS—we have created a sustainable business model that has proved itself over the last five decades.

FEATURING

Krishnan Ramanujam
President – Business & Technology Services

N G Subramaniam
Chief Operating Officer

K Ananth Krishnan
Chief Technology Officer

Customers truly appreciate this and see us as a strategic partner who remains current across cycles while helping them also stay current. Employees appreciate this too and it has resulted in industry-leading talent retention and an invaluable repository of contextual knowledge, both of which are competitive differentiators.

KR: There is a large growth and transformation market in which we want to expand TCS' footprint and gain further share from legacy consulting organizations. In that context, the new brand statement is very timely and reflects that aspiration. Building on Belief is a way for us to signal to all customers and prospects that TCS will work alongside them in their G&T journeys, with a sense of shared purpose and help them realize their vision.

YOU HAVE BEEN SPEAKING ABOUT GROWTH AND TRANSFORMATION FOR THE LAST THREE YEARS. WHY THE RENEWED FOCUS NOW?

NGS: Yes, we have been winning quite a few growth and transformation engagements with the Business 4.0™ thought leadership framework. Some of these stories have been showcased in our recent annual reports. While the number of such deals has been steadily increasing, it is only a small foothold in the larger opportunity.

As we embark on a new multi-year technology cycle, the move to the cloud will open phenomenal opportunities for our customers to further innovate, transform, differentiate themselves and power their future growth. Their growth and transformation investment is going to leapfrog in the coming years. This not only expands the addressable market but also provides a secular tailwind to power TCS' growth over the next decade. Hence, this renewed focus.

HOW DO YOU ACTUALLY WIN THESE DEALS? ARE THERE RFPS FOR GROWTH AND TRANSFORMATION?

NGS: There are multiple scenarios: RFP driven transformation deals and proactive proposals. In the first scenario, customers typically know what they want to accomplish and look to us for knowhow. Whereas, in the latter, account teams proactively identify business problems that are critical for a customer, and put together high-level solution ideas which they pitch to customers. This is often followed by more detailed workshops that eventually culminate in a full-fledged engagement.

KAK: In the second scenario, TCS Research & Innovation is a catalyst. We often organize account-level ideathons to crowdsource creative ideas which address our customers' most pressing business problems, leveraging our contextual knowledge. We brainstorm on these and other proactive ideas at our Innovation Days and deliver selected ones in rapid Agile sprints to the customer. Many of these activities are now anchored at our PacePorts™.

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Our Annual Innovation Forums and TCS PacePorts are key avenues that fuel innovation. At the Innovation Forums, our customers and partners, including start-ups, talk about the innovative work they are doing in partnership with TCS, while PacePorts showcase our innovative solutions across different verticals, often triggering new ideas among customers and resulting in productive conversations.

KR: Chance favors the prepared mind. In addition to the avenues described by NGS and Ananth, TCS' Business 4.0 thought leadership framework that has been updated to address pandemic and post-pandemic challenges and our multi-horizon cloud transformation roadmap, provide a great starting point to jointly envision the aspirational end-state capabilities with the C-Suite.

Our sales teams leverage a steadily expanding suite of transformation offerings aligned to emerging themes, which they can readily adapt to each customer's unique circumstances. One very successful approach has been to benchmark the customer against best-in-class metrics in their industry, identify the gaps across different areas of their operations, and then use design thinking principles to help top management chalk an inside-out roadmap for their growth and transformation.

With each successful G&T engagement, the positive references build up and we are sought by other customers facing similar business problems to help them in their transformation journeys. For example, a recent annual report[1] highlighted how we helped the Bayer Group build a replicable business carve-out model to execute quick divestitures. In FY 2021, several customers who were restructuring their portfolios to sharpen their business focus and free up capital, partnered with us for our divestiture offerings. Other common themes we saw this year included supply chain transformation in the manufacturing and consumer goods sectors, and omnichannel transformation in retail.

Across industries, we are picking up promising themes that emerge from ongoing G&T engagements which address broader business problems that may be relevant to other enterprises, and are productizing those offerings. This organic manner of steadily expanding our portfolio of transformation offerings lowers the execution risk for our customers.

WHAT ROLE DOES YOUR INTELLECTUAL PROPERTY, PRODUCTS AND PLATFORMS PLAY IN THE G&T OPPORTUNITY?

NGS: Intellectual property is one of TCS' biggest differentiators, and it has played a pivotal role in many of our largest G&T engagements. Our patents, products, and platforms stand testimony to our technology expertise and business knowledge.

The TCS BFSI Platform for Life and Pensions continues to be the operating model of choice for insurers looking to reimagine customer experience. In last year's annual report[2], we had carried the M&G story. In FY 2021 too, we signed a very large deal with the Phoenix Group, to drive the growth and transformation of their Standard Life business and meet the future needs of their customers, workplace clients and their advisers.

Similarly, the TCS ADD platform transforms the end-to-end drug development process which is at the core of any life sciences company's value creation engine. In FY 2021, one of the world's largest pharmaceutical companies deployed TCS ADD Analytics & Insights, an AI-powered adaptive monitoring solution to transform the oversight of over 200 clinical trials, strengthening oversight effectiveness and improving the efficacy of the studies.

Some solutions are transformational not just at an enterprise level, but at an industry level. Israel's Ministry of Finance wanted to rejuvenate its banking sector, spark greater innovation, and democratize consumer access to banking. We helped them realize that vision by building a banking service bureau powered by TCS BaNCS™, to serve as a shared digital banking operations platform that neo-banks can use to launch their operations very quickly. First Digital Bank, the first bank in Israel to receive a banking license in 40 years, commenced its digital-only operations leveraging our platform in March 2021.

KAK: Many G&T initiatives are centered around enhancing the customer journey and scaling up the organization's ability to quickly launch innovative products and services. Our AI-based TwinX supports the digital simulation of an enterprise, or an

[1] Page 19, TCS Annual Report 2018-19

[2] Page 21, TCS Annual Report 2019-20

enterprise digital twin. Key entities such as customer, product, process, network, and resource are mapped, so businesses can test strategic decisions such as new product rollouts or the launch of new channels, before piloting them in the market. Several customers are using TwinX today for what-if analyses especially in areas like the ideal customer journey, reducing customer churn as well as potential fraud.

As customers start exploring opportunities in ecosystem innovation, they can leverage TCS' Data Marketplace solution and our Quartz™ Blockchain solution, to orchestrate or participate in ecosystems and seamlessly and securely exchange data with partners on a real time basis.

YOUR PEERS HAVE ALSO BEEN WINNING A LOT OF VERY LARGE DEALS IN RECENT TIMES. DOES THIS REPRESENT A LOSS OF MARKET SHARE FOR TCS?

NGS: Fourteen years ago, when we won our first billion-dollar deal, it was path breaking because it represented our coming of age. Having won against the largest names of that era, it demonstrated our ability to put together winning, multi-tower deal constructs. Today, winning such large outsourcing deals is essential for revenue growth and visibility, but it is a hygiene factor and no longer a differentiator.

We win more than a fair share of such very large deals every year. In FY 2021, we had an order book of $31.6 billion, 17% higher than the previous year. Very importantly, these are not just large plain vanilla outsourcing deals, but also higher-value G&T deals. Every year, we close several very large transformational deals, including one in FY 2021 with a TCV of over $2.4 billion.

WHAT GIVES YOU THE CONFIDENCE THAT YOU ARE ON A LONGER-TERM GROWTH TRAJECTORY AND NOT JUST BENEFITING FROM SHORT TERM PENT-UP DEMAND?

KR: While I don't deny some amount of pent-up demand playing out, but as NGS mentioned earlier, the adoption of hyperscaler clouds by our customers is a pivotal point, setting them on a course of increasing technology investments over the next few years, all aimed at harnessing the rich native capabilities available within the hyperscaler stacks for innovation, growth and transformation.

Our sharpened focus on the high value G&T opportunity and investments around deepening our solutioning capabilities will result in a quantum leap in the size of our addressable market. We are confident that the secular tailwind from increased spends and our own investments and focused efforts will drive a better growth trajectory in the years ahead.

NGS: Another important driver of longer term growth is the structural shift within the technology market, leading to growing primacy of IT services.

Let me explain. If you look at the evolution of technology spends over the last five decades, hardware held complete primacy in the first four decades, with software and services serving subordinate roles. Over time, proprietary hardware gave way to standardized architectures, setting the stage for virtualization and commoditization.

We see that cycle repeating now with packaged software. SaaS models are driving standardization and commoditization of software. So even as enterprises invest in upgrading their technologies, they will invest even more on IT services because only service-providers like TCS can help them harness these very powerful and commoditized technologies to create unique combinatorial solutions that provide competitive differentiation. The next decade will clearly be the decade of IT services.

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Enabling bpost to Deliver not just Parcels but also Smiles

With e-commerce making inroads at an exponential pace and declining mail volumes, bpost is on a multi-year growth and transformation journey to transform into a customer centric and sustainable global omni-commerce leader, with the vision of making Belgium a gateway for e-commerce logistics. TCS is a strategic advisor, helping bpost shape its transformation journey by reimagining the customer experience and building a digital core that will drive new business opportunities and accelerate innovation.

The parcel delivery business not only rides high on customer emotions but is highly competitive and entails logistical complexity which can drive up the cost of customer service. Experience designers from TCS Interactive Design labs digitally reimagined the end-to-end parcel lifecycle by mapping all customer touchpoints and analyzing key factors impacting Net Promoter Score (NPS), including social media sentiment analysis. They designed an intuitive and engaging digital experience with a mobile-first approach and also enabled 24x7 digital customer service across all channels with chatbots. bpost customers can now track and trace parcels through proactive notifications and enjoy flexible options for receiving parcels at home, at neighbors, or at a participating store. Returns processing is simplified with just 3 steps, including the ability to print shipping labels.

Powered by advanced analytics, the TCS-designed Dynamic Routing Model generates optimized, efficient, and accurate route plans with increased parcel density per route, ensuring first-time-right delivery. Simulations and scenario planning are used to predict parcel volume growth and statistical techniques ensure optimal workload distribution among delivery personnel.

With a penetration of 1 in every 4 Belgian households, and a rating much higher than similar apps from competitors, the mybpost app has contributed to an 8% growth in NPS and 18% reduction in customer service requests. With the use of advanced analytics for optimized parcel delivery, TCS helped bpost successfully handle a 2.5X growth in parcel volumes in 2020, with margin and EBIT growth, increased efficiency, and most importantly, higher customer satisfaction, bringing it closer to its ambition.

> The postal industry is profoundly transforming resulting in challenges spanning from logistics to profitability. It was imperative for us to accelerate our transformation into a customer centric and sustainable omni-commerce group. The decision to work with TCS was not driven by a technology choice, but their transformation abilities!
>
> **Nico Cools**
> CIO & Chief Digital Officer, bpost SA

Helping the State of Connecticut Provide Pandemic Relief to the Unemployed

Following the devastating job losses due to the pandemic, Connecticut's Department of Labor (CTDOL) found itself inundated with over a million applications for unemployment insurance, almost ten years' worth of applications in a single year.

Additionally, it had to administer the federally funded Pandemic Unemployment Assistance (PUA) program under the CARES Act and extended by the Continued Assistance Act, which provided up to $600/week for up to fifty weeks to the self-employed, independent contractors, and gig workers who were ordinarily ineligible for unemployment assistance, but whose livelihoods had been affected by the pandemic.

CTDOL wanted to swiftly implement the PUA program but their mainframe-based legacy system was not easy to modify.

CTDOL approached its transformation partner, TCS, to help implement the PUA program urgently. TCS was already working on CTDOL's Unemployment Insurance Modernization program, replacing its legacy system with a modern, multi-tenant, cloud-based platform, designed, developed and managed by TCS for the ReEmployUSA consortium. Given the urgency of the situation, the TCS team worked over a weekend to come up with a plan to rapidly implement a new cloud-based standalone PUA system.

In just five weeks, TCS, working closely with CTDOL, quickly designed and deployed a new cloud-based standalone PUA system, and integrated it with CTDOL's legacy unemployment insurance system. The new PUA system streamlined the workflows and leveraged advanced analytics to prevent fraudulent claims. Its cloud-native architecture scaled well - easily handling the 10,000 claims filed on the very first day of its launch. Till date, over $1 billion in benefits has been paid through the new system.

Powered by a deep belief in itself, TCS built the complete solution in just weeks, helping CTDOL live up to its mission of delivering unemployment assistance to self-employed individuals in their hour of need.



The unemployment benefit programs are a critical safety net for the citizens during this pandemic. TCS and Connecticut DOL teams have worked closely in partnership to pay out over a Billion dollars in benefits through this new system and help the citizens of Connecticut.

Kurt Westby
Commissioner of Labor
State of Connecticut

Q&A with V RAMAKRISHNAN, CFO & MILIND LAKKAD, CHRO



HAS A FULL YEAR OF WORKING REMOTELY RESULTED IN ANY STRUCTURAL CHANGES TO YOUR BUSINESS? WILL GLOBAL SOURCING BE MUCH MORE OF THE NORM IN THE FUTURE?

VR: Yes, I think so. In service delivery, any and every in-person activity that entailed travel and other overheads, was successfully executed entirely remotely last year using SBWS. It is faster, safer, and in many cases, results in better outcomes because we can assign the best talent for the job, unconstrained by location, mobility and visa availability. In the longer term, this significantly de-risks service delivery for customers, and our business model.

The other change is on the demand front. A full year of remote working has changed the thinking around managerial supervision. Executives across the world have had to adopt a more outcome-focused versus acitvity-based approach. This is helping increase the reliance on partners who can take end to end responsibility for defined scope.

That is very timely because enterprises embarking on growth and transformation journeys are revisiting their operations and looking for ways to free up staff to redeploy them on transformation projects, and also to reduce costs to fund the new work. So I think there will be a much higher propensity to outsource and automate in the coming years, and also a greater openness to location-agnostic models.

ML: The other structural change is to our workplace. Whenever the pandemic is contained and we start normalizing, we will start transitioning to a more hybrid working model in line with our Vision 25x25, that captures all the benefits of the remote model and addresses its challenges. To recap, we envisage that by year 2025, no more than 25% of our employees would need to be at a TCS facility at a point in time, and no individual would have to spend more than 25% of their time at a TCS facility to be 100% productive.

We believe this is a more balanced approach, and will give our employees the best of both worlds. In this model, the role of the office itself will change significantly. Earlier, the office was where one performed day-to-day activities, and offsites were meant for business planning or team motivation. The new model flips that. Our offices will become ideation

and innovation hubs, using in-person interactions for brainstorming and team-building, while day-to-day work can be performed from anywhere.

YOUR MARGINS IMPROVED IN FY 2021, BENEFITING FROM LOWER TRAVEL AND FACILITIES EXPENSES. HOW SUSTAINABLE IS THIS?

VR: We believe our industry-leading operating margin is a reflection of our relative competitiveness. While there may be some small movements here and there, our margins have shown tremendous resilience over the last decade. We don't see any structural threat to our competitiveness in the foreseeable future, so our margins should remain stable.

Specific to FY 2021, we started off with a very sudden ramp down in demand, our Q1 revenue reducing by 6.3% year on year in constant currency. However we took an industry-defining stand that we would not let go any employees due to the demand contraction, and also committed to onboarding all 45,000 job offers we had made. The industry-wide reductions in travel, facilities and some marketing expenses helped offset this.

The second half of the year saw a sharp growth recovery, and the emergence of a multi year growth cycle. We immediately rewarded our employees with a normal salary hike in October and regular promotions, much ahead of the rest of the industry. We also invested significantly in Covid care and relief efforts, and contributed handsomely to the commitments by the Tata Group.

So overall, I am very pleased with the way we were able to deal with a very fluid situation, balancing the needs of our customers, employees, and communities, and yet deliver an industry-leading operating margin of 25.9%*, an expansion of 1.3%* over the prior year.

Looking ahead, we expect demand, revenue and operating costs to normalise and come back to our long term comfort zones. That, along with higher quality revenues from our expanding participation in the growth and transformation opportunity, greater operating efficiencies from continuing innovations to the delivery model – such as talent clouds – will help us sustain our operating margin at current levels.

WHAT ARE TALENT CLOUDS AND HOW DO THEY CHANGE THE DELIVERY MODEL?

ML: The talent cloud is an innovation enabled by our SBWS operating model. Historically, we serviced customers from specific delivery centers, and staffed any new project largely with individuals based out of those locations. With SBWS, we did away with that constraint. We are now using AI to autonomously match individuals with the requisite skill profiles to open opportunities, regardless of their physical location. This is enabling access to a larger pool of talent, better fitment, significantly faster allocations and superior outcomes.

Its true value lies in talent fungibility, where, for example, a cyber-security expert or an expert team, can be part-allocated to multiple assignments at the same time, enabling all those customer engagements to gain from sharing that high-quality expertise.

Customers are very pleased with the faster project ramp-ups that this has enabled, as well as the superior outcomes that follow from better fitment. It also opens up more opportunities for our employees, particularly those in smaller locations, driving up employee satisfaction levels and talent retention. At an aggregate level, this is helping reduce mean time between allocations, and drive up utilization across the system.

HOW DOES YOUR NEW FOCUS ON GROWTH AND TRANSFORMATION DEALS AFFECT YOUR MARGINS AND YOUR INVESTMENTS? HOW WILL IT AFFECT CAPITAL ALLOCATION? WILL YOU ALSO ACQUIRE A CONSULTING OUTFIT?

VR: These deals have lower competitive intensity, and customers evaluate us on the merits of our solution and not on price. So these are high quality

* Excluding an exceptional item provided towards a contested legal claim

revenues, and as their share increases, they will lend further resilience to our busines. Overall we have always believed in taking a holistic view to the service portfolio, continously investing in newer services that increase our overall relevance to our customers, which gives us competitive differentiation, and supports our industry-leading profitability.

In terms of investment, keep in mind that our approach to growth and transformation engagements is very differentiated. We are not trying to replicate the legacy consulting model. To expand our presence in this opportunity, we will invest in deepening our solutioning capabilities, organically. We will invest in more research and innovation, and in the various HR initiatives that Milind will speak about. We won't acquire something just to grow our consulting revenue.

At a broad level, we remain open to acquisition opportunities if they are attractive and and value accretive. Our capital allocation policy continues to be to return most of the free cash flow we generate each year to our shareholders.

We believe our industry-leading operating margin is a reflection of our relative competitiveness. While there may be some small movements here and there, our margins have shown tremendous resilience over the last decade. We don't see any structural threat to our competitiveness in the foreseeable future, so our margins should remain stable.

ML: On the people front, we continue to believe in growing our own talent, and are scaling up our campus recruitment of management graduates from premier business schools in India and elsewhere, as well as engineering talent from top technology institutes. Given our differentiated, inside-out approach to growth and transformation, we are investing in various programs to promote business thinking and foster contextual knowledge across the organization.

Our Contextual Masters program has identified 16,000 individuals till date with deep insights of our customers' business and technology contexts. We are bringing them and others into our strategic talent development initiatives, and scaling these programs to create a large and diverse cadre of next generation growth and transformation leaders, who can help customers explore the art of the possible in their respective contexts and steer them through organizational change.

SOME OF YOUR PEERS HAVE SPOKEN OF A WAR FOR TALENT. YOU DON'T LOOK TOO WORRIED. WHY?

ML: Our sustained investments in organic talent development at scale are paying off. Our state of the art talent development infrastructure is helping us align our planning with emerging customer requirements. So we are fulfilling most of the open positions requiring new technology skills using in-house groomed candidates, and don't rely too much on lateral recruits.

Additionally, we have created a deep pipeline of digital talent by hiring over 30,000 fresh engineering graduates each year, including a cadre of high performers, and training them on new technologies which are most in demand.

Even more important than acquiring new talent is retaining our existing talent that we have invested in, and groomed over the years. We continue to be the industry leader in talent retention, with our IT services attrition rate falling to an all-time low of 7.2% this year. So we are very proud of our talent strategy and investments, and immensely excited about the future growth it is helping power.

To achieve hyper-growth and become an industry leader, Novolex launched Project Optimus for optimizing and transforming the entire business. TCS and Novolex established a true partnership in successfully implementing the Optimus program and set a secured path for reaping continuous business value.

Don Ray
VP - Manufacturing Services, Novolex

TCS has helped ensure timely business transformation that can empower Novolex as an 'Intelligent Enterprise' with industry leading solutions and help accelerate our growth as a world-class packaging company.

Paul Palmisano
Former CFO, Novolex

Transforming Novolex into a Futuristic, Intelligent Enterprise

After years of strong top line growth driven by multiple acquisitions, Novolex, a leader in packaging innovation, recognized that to continue to drive profitable growth through M&A, it would need to fix the disparate set of processes, organizational structures and customer experiences, all resulting from a sprawl of 11 disparate ERP systems built up from years of acquisitions. The siloed operations were hindering the company's ability to drive sustainable synergies and deliver a unified customer experience.

Novolex partnered with TCS to drive its end-to-end business transformation and create a new cloud-based digital core using the SAP S/4HANA platform to support its future growth. TCS' consultants worked with Novolex through the full lifecycle of its business transformation, starting with the development of the business case and roadmap, establishment of a transformation management office, design of a standardized global template, all the way through to deployment and realization of benefits.

The new platform has eliminated the silos, enabled significant savings and ongoing SGA efficiencies, improved executive visibility into business performance and delivered faster time to market. The simplified consolidated financial reporting has reduced monthly and quarterly closing from 5 days to 3 days. More effective rebate programs and efficient commission payment processes have improved pricing efficiency and increased sales margin.

Applying design thinking principles and leveraging its domain depth and expertise across digital technologies, TCS helped Novolex realize its vision of delivering a `One Novolex' experience to its customers. Today, TCS continues to engage with Novolex in a sustain mode to drive perpetual transformation and further increase its return on investment.



Partnering RBI in Building Payment Systems for Digital India

The Reserve Bank of India (RBI) has been the driving force in creating the nation's payment systems, operating with the strong belief that innovative, secure and efficient payment mechanisms are central to economic growth. TCS has been RBI's digital transformation partner for the last two decades, building the systems needed to help the central bank realize this belief.

The two important online payment systems run by the Reserve Bank of India, namely, National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS), have both been enabled by robust and scalable technology platforms built and maintained by TCS.

The underlying messaging infrastructure that enables the smooth interchange of data is the Structured Financial Messaging System, a TCS innovation that connects over 70,000 branches of over 200 banks and clearing houses in India.

Today, these two platforms process over 260 million payment transactions, worth $1.5 trillion, every month.

In the latest development, TCS teams enhanced both platforms and their related ecosystems to enable successful introduction of NEFT 24x365 in 2019, and then RTGS 24x365 in 2020, making India one of the few countries in the world to operate a real-time, large value payment system round the clock.

This has led to faster settlements, improved liquidity, reduced cost for retail payment systems, and enhanced ease of doing business, fulfilling the purpose of giving further impetus to Digital India's progress.



With its deep understanding of the payments ecosystem, technological capabilities and shared purpose of nation-building, TCS has been a long-standing, trusted partner in RBI's mission to provide secure, cutting edge payment mechanisms to the nation.

It is a testimony to the robustness of their design and the quality of their services that the RTGS and NEFT platforms and its underlying messaging system have scaled up over time to handle the immense growth in volumes without any disruption over the last many years. Their teams went above and beyond and supported us solidly when we needed it the most, at the height of the pandemic last year.

Dr Deepak Kumar

Chief General Manager, Department of Information Technology, Reserve Bank of India

(Views expressed in the quote are personal)

Notice



Notice is hereby given that the twenty-sixth Annual General Meeting of Tata Consultancy Services Limited will be held on Thursday, June 10, 2021 at 3:30 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

1. To receive, consider and adopt:

    a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon; and

    b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Auditors thereon.

2. To confirm the payment of Interim Dividends on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2020-21.

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

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated

January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.

3. Pursuant to the provisions of the Companies Act, 2013 ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.

4. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to tcs.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

5. The Company has fixed Thursday, May 27, 2021 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2021, if approved at the AGM.

6. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on Monday, June 14, 2021 as under:

   i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on Thursday, May 27, 2021;

   ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Thursday, May 27, 2021.

7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the

shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, TSR Darashaw Consultants Private Limited ("TCPL") for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website https://on.tcs.com/demat-faq.

8. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with TCPL in case the shares are held by them in physical form.

9. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to TCPL if the shares are held by them in physical form.

To register e-mail address for all future correspondence and update the bank account details, please follow the below process:

Physical Holding	Send a request to TCPL at csg-unit@tcplindia.co.in: i) To register e-mail address, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN and AADHAR (self-attested scanned copy of both PAN card and Aadhar card) ii) To update bank account details, please send the following additional documents / information followed by the hard copies: a) Name of the bank and branch address, b) Type of bank account i.e., savings or current, c) Bank account no. allotted after implementation of core banking solutions, d) 9-digit MICR code no., and e) 11-digit IFSC code f) Original cancelled cheque bearing the name of the first shareholder, failing which a copy of the bank passbook / statement attested by a bank
Demat Holding	Please contact your DP and follow the process advised by your DP.

10. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Integrated Annual Report 2020-21 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories.

Process for registration of e-mail id for obtaining Notice of the AGM along with Integrated Annual Report.

If your e-mail address is not registered with the Depositories (if shares held in electronic form) / Company (if shares held in physical form), you may register on or before 5:00 p.m. (IST) on Thursday, June 3, 2021 to receive the Notice of the AGM along with the Integrated Annual Report 2020-21 by completing the process as under:

a. Visit the link https://tcpl.linkintime.co.in/EmailReg/Email_Register.html

b. Select the name of the Company from dropdown

c. Enter details in respective fields such as DP ID and Client ID (if shares held in electronic form) / Folio no. and Certificate no. (if shares held in physical form), Shareholder name, PAN, mobile no. and e-mail id.

d. System will send OTP on mobile no. and e-mail id.

e. Enter OTP received on mobile no. and e-mail id.

Members may note that the Notice and Integrated Annual Report 2020-21 will also be available on the Company's website www.tcs.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com.

11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website https://on.tcs.com/form-sh-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to TCPL in case the shares are held in physical form.

12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or TCPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.

14. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before June 9, 2021 through e-mail on investor.relations@tcs.com. The same will be replied by the Company suitably.

15. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Integrated Annual Report and FAQ of investor page on Company's website https://on.tcs.com/IR-FAQ.

16. Members attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

17. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company / TCPL (if shares held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to TCSExemptforms2021@tcplindia.co.in by 11:59 p.m. IST on May 25, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) by e-mail to TCSExemptforms2021@tcplindia.co.in. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on May 25, 2021.

For further details and formats of declaration, please refer to FAQs on Taxation of Dividend Distribution available on the Company's website at https://on.tcs.com/IR-FAQ.

18. Instructions for e-Voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

ii. The remote e-Voting period commences on Monday, June 7, 2021 (9:00 a.m. IST) and ends on Wednesday, June 9, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, June 3, 2021 i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commences June 7, 2021 to June 9, 2021 or e-Voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.

iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution again.

iv. The Board of Directors have appointed P N Parikh (Membership No. FCS 327) and failing him Jigyasa Ved (Membership No. FCS 6488) of Parikh & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.

v. The voting rights of Members shall be in proportion to their shares in the paid-up

equity share capital of the Company as on the cut-off date.

vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "**Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."**

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

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**A. NSDL IDeAS facility** **If you are already registered, follow the below steps:** 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "**Login**" which is available under **"IDeAS"** section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-Voting" appearing on the left hand side under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. **If you are not registered, follow the below steps:** 1. Option to register is available at https://eservices.nsdl.com. 2. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5. **B. e-Voting website of NSDL** 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

Type of shareholders	Login Method
	3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of ESP i.e. NSDL portal. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) logging through their depository participants	1. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility. 2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

II) Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders / Member" section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
5. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

6. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the e-mail and open the attachment i.e. a .pdf file.Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      ii) In case you have not registered your e-mail address with the Company / Depository, please follow instructions mentioned below in this notice.

7. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

   a) Click on **"Forgot User Details / Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.

   d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

8. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

9. Now, you will have to click on "Login" button.

10. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN 115987" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

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

2. In case of any queries relating to e-Voting you may refer to the FAQs for Shareholders and e-Voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.

3. Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing demat account number / Folio number, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained above.

4. The instructions for members for e-Voting on the day of the AGM are mentioned in point number 18 (A).

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM provided by NSDL at https://www.evoting.nsdl.com following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of VC / OAVM placed under Join General meeting menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu.

   Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM.

3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800 1020 990 and 1800 22 44 30 or contact Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/ or Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in.

4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at tcsagm.speakers@tcs.com from June 4, 2021 (9:00 a.m. IST) to June 6, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.tcs.com and on the website of NSDL https://www.evoting.nsdl.com / immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

By Order of the Board of Directors

Rajendra Moholkar
Company Secretary
Membership No. ACS 8644

Mumbai, April 12, 2021

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

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

Particulars	N Chandrasekaran
DIN	**00121863**
Date of Birth	June 2, 1963 (57 years)
Date of Appointment	February 21, 2017
Qualifications	Bachelor's Degree - Applied Science Master's Degree - Computer Applications
Expertise in specific functional areas	Rich experience in various areas of business, technology, operations, societal and governance matters
Directorships held in other companies	Tata Sons Private Limited Tata Steel Limited Tata Motors Limited The Indian Hotels Company Limited The Tata Power Company Limited Tata Consumer Products Limited TCS Foundation Tata Chemicals Limited
Memberships / Chairmanships of committees of other companies	Tata Sons Private Limited • Nomination and Remuneration Committee • Corporate Social Responsibility Committee* Tata Steel Limited • Nomination and Remuneration Committee • Executive Committee of the Board* Tata Motors Limited • Nomination and Remuneration Committee The Indian Hotels Company Limited • Nomination and Remuneration Committee The Tata Power Company Limited • Nomination and Remuneration Committee • Executive Committee of the Board* Tata Consumer Products Limited • Nomination and Remuneration Committee Tata Chemicals Limited • Nomination and Remuneration Committee
Number of shares held in the Company	177,056

***Chairman of the Committee**

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the corporate governance report which is a part of this Integrated Annual Report.

Directors' Report



To the Members,

The Directors present the Integrated Annual Report of Tata Consultancy Services Limited (the Company or TCS) along with the audited financial statements for the financial year ended March 31, 2021. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Financial results

(₹ crore)

	Standalone		Consolidated	
	Financial Year 2020-21 (FY 2021)	Financial Year 2019-20 (FY 2020)	Financial Year 2020-21 (FY 2021)	Financial Year 2019-20 (FY 2020)
Revenue from operations	135,963	131,306	164,177	156,949
Other income	5,400	8,082	3,134	4,592
Total income	**141,363**	**139,388**	**167,311**	**161,541**
Expenses				
Operating expenditure	95,653	93,953	117,631	114,840
Depreciation and amortisation expense	3,053	2,701	4,065	3,529
Total expenses	**98,706**	**96,654**	**121,696**	**118,369**
Profit before finance costs, exceptional item and tax	42,657	42,734	45,615	43,172
Finance costs	537	743	637	924
Profit before exceptional item and tax	**42,120**	**41,991**	**44,978**	**42,248**
Exceptional item				
Provision towards legal claim	1,218	-	1,218	-
Profit before tax	**40,902**	**41,991**	**43,760**	**42,248**
Tax expense	9,942	8,731	11,198	9,801
Profit for the year	**30,960**	**33,260**	**32,562**	**32,447**
Attributable to:				
Shareholders of the Company	30,960	33,260	32,430	32,340
Non-controlling interests	NA	NA	132	107
Opening balance of retained earnings	**71,532**	**77,159**	**78,810**	**85,520**
Closing balance of retained earnings	**70,928**	**71,532**	**79,586**	**78,810**

2. COVID-19

The COVID-19 pandemic has emerged as a global challenge, creating disruption across the world. Global solutions are needed to overcome the challenges – businesses & business models have transformed to create a new work order. The swift transition to remote working was facilitated by the Secure Borderless Workspaces™ model adopted by the Company.

The physical and emotional wellbeing of employees continues to be a top priority for the Company, with several initiatives to support employees and their families during the pandemic. The Company has invested in setting up medical helplines, ambulance services and first line Covid Care Centers within TCS premises, and has also extended counselling and self-help services providing mental & emotional support to employees. The Company has reimagined employee engagement, which transcends geographic barriers by embracing virtual technologies and embraces our diverse workforce. Initiatives like the #OneTCS channel, designed to reduce stress and the feeling of isolation, hosted inspirational leaders, mental health experts, virtual town halls and a global talent hunt competition to boost morale of employees.

*Excluding provision towards legal claim.

The SBWS™ model has been institutionalized and the Company has been able to seamlessly adapt and extend it to prospect for new business, sell, contract and execute programs. This transformative model enables remote access for employees, sets up a suitable cybersecurity framework and all project management practices and systems needed to ensure that work allocation, monitoring and reporting continues without disruption. In this way, the SBWS™ model ensured that neither the quality nor the timeliness of client deliveries was ever compromised. SBWS™ is not a short-term response to a crisis, but a new beginning. These new ways of working and managing businesses present a great opportunity to more than just 'recover' from the consequences of the crisis, but to accelerate transformation.

The revenue impact of the pandemic played out broadly along the lines that the Company had anticipated at the start and affected all verticals, with the exception of Life Sciences and Healthcare, with varying levels of impact.

3. Return of surplus funds to Shareholders

In line with the practice of returning 80 to 100 percent free cash flow to shareholders and based on the Company's performance, the Directors have declared interim dividends of ₹23 per equity share involving a cash outflow of ₹8,598 crore. The Directors have also recommended a final dividend of ₹15 per equity share, the final dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹5,549 crore. The total dividend for FY 2021 amounts to ₹38 per equity share and would involve a total cash outflow of ₹14,147 crore, resulting in a dividend payout of 44.3 percent* of the standalone profits of the Company.

In addition to the above, the Company bought back 5,33,33,333 equity shares at a price of ₹3,000 per equity share for an aggregate consideration of ₹16,000 crore. The offer size of the buy-back was 19.96 percent and 18.11 percent of the aggregate paid-up equity share capital and free reserves as per audited condensed standalone interim financial statements and audited condensed consolidated interim financial statements of the Company as on September 30, 2020, respectively. The buy-back represented 1.42 percent of the total issued and paid-up equity share capital of the Company. The buy-back process was completed and the shares were extinguished on January 6, 2021.

The shareholder's payout with respect to dividend and buy-back including tax on buy-back (excluding transaction costs, other incidental and related expenses) aggregated to ₹33,873 crore, resulting in a payout of 106.1 percent* of the standalone profits of the Company.

In FY 2020, the Company paid a total dividend of ₹73 per equity share, including a special dividend of ₹40 per equity share, which resulted in an outflow of ₹31,895 crore and a dividend payout of 95.9 percent of the standalone profits of the Company.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is available on the Company's website on https://on.tcs.com/Dividend.

4. Transfer to reserves

The closing balance of the retained earnings of the Company for FY 2021, after all appropriation and adjustments was ₹70,928 crore.

*Excluding provision towards legal claim.

5. Company's performance

On a consolidated basis, the revenue for FY 2021 was ₹164,177 crore, higher by 4.6 percent over the previous year's revenue of ₹156,949 crore. The profit after tax (PAT) attributable to shareholders and non-controlling interests for FY 2021 and FY 2020 was ₹33,520 crore* and ₹32,447 crore, respectively. The profit after tax (PAT) attributable to shareholders for FY 2021 and FY 2020 was ₹33,388 crore* and ₹32,340 crore, respectively.

On a standalone basis, the revenue for FY 2021 was ₹135,963 crore, higher by 3.5 percent over the previous year's revenue of ₹131,306 crore in FY 2020. The profit after tax (PAT) attributable to shareholders for FY 2021 and FY 2020 was ₹31,918 crore* and ₹33,260 crore, respectively.

6. Human resource development

In this extraordinary year, TCS continued to stay focused on the health and wellbeing of its associates through multiple measures. Some of these included the setting up of first line Covid Care Centres at TCS premises, hospital admission assistance, home healthcare services, availability of OHC doctors round the clock, tele medicine and repatriation of onsite associates and families through the Vande Bharat Mission. In addition, TCS took various initiatives to keep employees productive and engaged, with secure access and the latest collaboration tools. Virtual HR days, daily check-in calls to associates, increased connect sessions with leaders, counselling services and other initiatives focused on improving the employees' resilience. TCS employees, their families and other stakeholders highly appreciated these steps.

This year the Company's Learning Intensity has increased significantly, by almost 37%. The Company launched TCS Elevate, a merit-based talent framework to bring further tighter linkage between learning and careers, and to drive a culture of continuous learning and aspiration for accelerated career paths. Over 138,000 associates have been on-boarded to this program.

The Company continued its track record of pioneering industry-first practices by embracing online hiring, conducting around 100,000 virtual interviews, and pivoting the TCS NQT completely to virtual mode. Over 368K students from 3,100+ colleges attended the TCS NQT from the safety of their homes. The Company's investment in strategic leadership hiring from top B-schools deepened with TCS being the highest internship hirer in

these top campuses. The Company had a net addition of 40,185, taking its total associate count to 488,649.

A digital online onboarding model helped the Company to effectively integrate associates hired across the globe. Its diverse workforce includes 154 nationalities across 46 countries. The Company is one of the largest employers of women in the world. Sustained efforts to improve gender diversity, through focused hiring, mentoring and coaching women employees, have resulted in women currently accounting for 36.5 percent of the workforce.

TCS' commitment to its employees and its pioneering and innovative HR initiatives have won it many awards and accolades from top Industry bodies such as ATD and Brandon Hall. The Company's internal associate satisfaction survey PULSE showed the highest associate satisfaction and engagement scores in the last 13 years. This is also reflected in its LTM attrition rate of 7.2 percent, which is an industry benchmark, and its lowest ever.

7. Quality initiatives

The Company continues to sustain its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management by successfully completing annual re-certification/surveillance audits for various industry standards and models.

TCS' integrated Quality Management System (iQMS™) continues to enable outstanding value and experience to its customers. iQMS™ is continually enhanced for emerging service offerings, new delivery methodologies, industry best practices and latest technologies. iQMS™ has been updated with handbooks and guidelines for Agile methodology.

Agile is a method to accelerate the speed of delivery in software development. TCS saw an opportunity to elevate Agile by applying it to everything an organization does spanning market research, innovation, product development, sales, delivery, and support functions, allowing organization wide delivery and innovation at high speeds, breaking departmental barriers and transcending location constraints. TCS calls this as Enterprise Agile. In 2017, TCS declared 'Enterprise Agile by 2020' as its vision with the goal of transforming TCS along four dimensions: Workforce, Workplace & Infrastructure, Service Delivery, and Internal Processes. Implementation was accomplished in three waves for (1) IT Services, (2) Cognitive Business Operations and (3) Enablement Functions such as HR, Marketing, Administration, IT Infrastructure, Delivery Excellence, Internal IT, and Research.

While standard Agile pushes for collaboration within a physical setting, TCS had to invent a method to bring agility without the need for physical co-location of teams. TCS created the Location Independent Agile™ providing comprehensive blueprints of team configurations, practices and technology for collaboration such as Open Agile Collaborative Workspace (OACW) so that team members from any part of the world can work together without location constraints.

By converting Agile into a strategic enterprise transformation lever, TCS created many capabilities, including the world's largest Agile workforce. TCS has filed five patents in the Agile space. Today, industry Agile experts and analysts acknowledge TCS' leadership in Agile. TCS handles over 12,000 Agile projects contributing to 85 percent of IT services revenue. TCS has also added a key term to the worldwide agile vocabulary by introducing the concept of Agility Debt™ - an index that uniquely measures an organization's agility. TCS saw customers who undertook holistic Agile Transformations growing faster than their peers, and more than 90 percent of customers

acknowledged increased speed-to-value from their agile adoption.

The Company accomplished the Enterprise Agile 2020 vision by October 2020 satisfying all the KPI's that were set, which the Company believes is first of its kind in the industry.
The Company has 427,000+ Agile Ready workforce with 86 percent of them functioning as Practitioners in client projects.
The Company's AgiltyDebt™ stands below 0.25 and more than 70 percent of new projects getting initiated are following agile methods

Technologies and Investments from 'Enterprise Agile' initiative gave the foundation for Secure Borderless Workspaces (SBWS™), which is the backbone for our associates to work remotely from wherever they feel safe.

To reduce the delivery risks during the pandemic, the Company had rolled out Guidelines for "Service Delivery under SBWS™ and the SBWS™ Governance utility. It has been monitoring the 20,000+ projects across the globe through digitized dashboards.
The customer-centricity, rigor in operations and focus on delivery excellence have resulted in consistent improvements in customer satisfaction levels in the periodic surveys conducted by the Company. This is validated by top rankings in third party surveys as well.

8. Subsidiary companies

The Company has 50 subsidiaries as on March 31, 2021. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

- The Equity stake in Technology Outsourcing S.A.C., was sold to Banco Pichincha Peru on December 1, 2020, at book value, consequent to which Technology Outsourcing S.A.C. ceased to be the subsidiary of the Company.

- In November 2020, TCS entered into an agreement with Prudential Financial, Inc.(PFI) to acquire over 1,500 staff and select assets of Pramerica Systems Ireland Ltd. (Pramerica), PFI's subsidiary based in Letterkenny, Ireland. The intent of the transaction was for TCS to establish a new global delivery centre in Ireland to provide PFI with a range of business and technology services, while also expanding TCS nearshore capabilities to provide the multifunctional, digital services and solutions to other customers in Ireland, the UK, Europe and the US. Accordingly, on December 2, 2020, Tata Consultancy Services Ireland Limited was incorporated as a wholly owned subsidiary of the Company in Ireland to provide the aforesaid services.

- CMC Americas, Inc., a US based subsidiary of the Company was voluntarily dissolved with effect from December 16, 2020 as CMC Americas Inc. and TCS both provide similar services. This would also enable rationalization of the number of entities in the US.

- On January 1, 2021, Tata Consultancy Services Netherlands B.V., a wholly owned subsidiary of the Company acquired 100 percent shares of Postbank Systems AG (PBS), a subsidiary of Deutsche Bank AG at an estimated transaction value at a symbolic 1 Euro. PBS is the full-range captive IT service provider that provides project management, application management and infrastructure support services to Postbank and other subsidiaries of Deutsche Bank. As a part of transaction, PBS and its around 1,500 employees become part of TCS which helped in deepening the relationship between the two organizations and add to TCS' scale in Germany and strengthen its growth outlook.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website on https://www.tcs.com/investor-relations.

9. Directors' responsibility statement

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

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

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

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

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

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

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021.

10. Directors and key managerial personnel

N. Chandrasekaran retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment along with other required details forms part of the Notice.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

Pursuant to the provisions of Section 203 of the Act, Rajesh Gopinathan, Chief Executive Officer and Managing Director, N. Ganapathy Subramaniam, Chief Operating Officer and

Executive Director, Ramakrishnan V., Chief Financial Officer and Rajendra Moholkar, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2021.

Ramakrishnan V. has been the Chief Financial Officer since February 21, 2017. He will be retiring from the services of the Company effective April 30, 2021. The Board places on record its appreciation for his invaluable contribution and guidance during his tenure with the Company.

During the year under review, the Board at its meeting held on October 7, 2020 appointed Samir Seksaria as the Chief Financial Officer Designate of the Company to take over from Ramakrishnan V. as Chief Financial Officer, with effect from May 1, 2021. Samir Seksaria has been with TCS since 1999 and has held various positions in business consulting and finance. He is a commerce graduate from Narsee Monjee College, Mumbai and a member of the Institute of Chartered Accountants of India.

11. Number of meetings of the Board

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

12. Board evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

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

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

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

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

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

At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

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

The Company's policy on appointment of directors is available on the Company's website on https://on.tcs.com/ApptDirectors.

The policy on remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on the Company's website on https://on.tcs.com/remuneration-policy.

14. Corporate social responsibility

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

15. Internal financial control systems and their adequacy

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

16. Audit committee

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

17. Auditors

At the twenty-second AGM held on June 16, 2017 the Members approved appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the twenty-seventh AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act.

18. Auditor's report and Secretarial audit report

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

19. Risk management

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company.
The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

20. Vigil Mechanism

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behavior. This Policy is available on the Company's website on https://on.tcs.com/WhistleBP.

21. Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments as per Section 186 of the Act by the Company, have been disclosed in the financial statements.

22. Transactions with related parties

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2020-21 and hence does not form part of this report.

23. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on https://on.tcs.com/annual-return-20-21.

24. Particulars of employees

The information under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

Name	Ratio to median remuneration	% increase in remuneration in the financial year
Non-executive Directors:		
N. Chandrasekaran*	-	-
O P Bhatt	36.91	15.00
Aarthi Subramanian#	-	-
Dr. Pradeep Kumar Khosla	29.69	32.14
Hanne Sorensen	29.69	32.14
Keki Mistry	32.09	42.86
Don Callahan	32.09	42.86
Executive Directors:		
Rajesh Gopinathan	326.81	52.21
N. Ganapathy Subramaniam	258.43	59.18
Chief Financial Officer		
Ramakrishnan V.	-	60.30
Company Secretary		
Rajendra Moholkar	-	76.00

* As a policy, N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company and hence not stated.

In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata Company and hence not stated.

b. The percentage increase in the median remuneration of employees in the financial year: (0.03) percent

c. The number of permanent employees on the rolls of Company: 488,649

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

The average annual increase was 5.2 percent in India. However, during the course of the year, the total increase is approximately 6.4 percent, after accounting for promotions and other event based compensation revisions. Employees outside India received a wage increase varying from 2 percent to 6 percent. The increase in remuneration is in line with the market trends in the respective countries.

Increase in the managerial remuneration for the year was 55.22 percent. Increase in the managerial remuneration for FY 2021 is not comparable with FY 2020 owing to decrease in remuneration of 15 percent in FY 2020 in view of the economic conditions impacted by the COVID-19 pandemic wherein the Directors had decided to moderate the executive remuneration for FY 2020 to express solidarity and conserve resources.

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

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

f. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

25. Integrated Report

The Company being one of the top companies in the country in terms of market capitalization, has voluntarily provided Integrated Report, which encompasses both financial and non-financial information to enable the Members to take well informed decisions and have a better understanding of the Company's long term perspective. The Report also touches upon aspects such as organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital.

26. Disclosure requirements

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

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

27. Deposits from public

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

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

Conservation of energy

The Company saw a year-on-year reduction in absolute energy use by 46.6 percent in MWh and an absolute carbon footprint reduction (across Scope 1 and Scope 2) by 48.8 percent (in tonnes of carbon dioxide equivalent). This reduction was not commensurate to the extremely low occupancy because some utilities had to be run to maintain the infrastructure.

TCS' specific greenhouse gas emissions (Scope 1 + Scope 2) comes to 0.54 tCO2e/ FTE (Full Time Equivalent)/Annum in the current reporting year, a reduction of 53 percent Y-O-Y. This is estimated with the actual carbon footprint and a notional FTE (working out of TCS offices), considering an increase of 8.23 percent in the FTE over the last reporting year. This increase in FTE, is in line with the TCS global headcount growth. The specific carbon footprint data is presented for the sake of continuity and is not comparable with the earlier year.

The total rooftop solar energy generation across the campuses increased to 8.1 MWp contributing to 2.5 percent of total electricity use in the reporting year. Total renewable energy used - from rooftop solar power plants and through power purchase agreements was 45.5 million units amounting to 15.6 percent of the total electricity consumption.

The Company achieved the target power utilization efficiency (PUE) of 1.65 across 21 of 23 target data centers. The Company has also taken up additional 44 data centers for this initiative and reduced weighted average PUE of all DCs to 1.77 in reporting year from 2.4 in 2017. The Company has focused on temporary closure of ODCs and hub rooms as SBWS™ was approved by customers and all stakeholders, leading to further reduction in energy consumption.

The investment in IoT based energy management system helped the Company to define a new normal of consumption profile, leveraging cognitive AI/ML algorithms and monitoring performance against it to drive efficiency.

Technology absorption, adaption and innovation

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

TCS Research and Innovation (R&I) commemorated the 40th year of its founding by adopting a new brand statement "Inventing for Impact". In keeping with its purpose-driven worldview, TCS R&I teams were engaged in 72 COVID related initiatives around the world, working with local, national and international bodies, adopting multiple approaches: leveraging TCS IP, collaborating with partners, and offering individual consultative inputs across many areas, such as drug candidate molecule discovery, COVID data management, diagnostic kits, epidemiological study and management.

TCS continues to expand its foundational research, in core computing areas and the intersections with other sciences. New areas of focus include DNA computing, AI for protein design, cognitive robotics, meta materials, quantum computing and sensing. Research and Innovation teams worked with cross-functional teams across the Company on strategic initiatives such as Patents, Products & Platforms (3P), Technology Change Management, 5G, Cloud and Cyber Security.

TCS R&I continues to build its intellectual property; more than 240 papers were presented at conferences or published in journals. The New Products and Solutions Development framework that governs the emerging pipeline of IP, and IP-leveraged offerings continued to expand the Company's portfolio with new offerings like TCS Dynaport™, TCS Consent Management Solution, and TCS Omnistore™ to support the next wave of growth. Numerous new technology use cases were piloted for customers in various industry segments.

The Company's existing portfolio of products and platforms continued to grow, with new releases in FY 2021 with additional features and functionality, and expansion of the ignio™, TCS ADD and TCS BaNCS™ suites with new products covering adjacencies.

TCS won CII's Industrial Intellectual Property Awards 2020. R&I won the Business Culture Award, and several of the Company's products and platforms won multiple awards across the world. The Company continued to contribute to standards bodies especially in ISO SC7 and Systems Engineering. As of March 31, 2021, the Company has applied for 5,879 patents cumulatively and has been granted 1,850 patents.

TCS continued to foster the culture of innovation, organizing one crowdsourced innovation a week. The TCS Innovista competition attracted over 10,290 entries from across the organization. The Company set up a community of Innovation Champions who serve as innovation ambassadors, helping customers leverage the best of TCS for their growth and transformation. Its Co-Innovation Network (TCS COIN™) initiative continued to expand, with 67 ongoing projects in emerging technologies with global academic partners, and with over 2,400 start-ups in its emerging technology ecosystem.

The Company's Pace Ports, which are experiential spaces connecting customers to all of TCS' organizational capabilities in innovation, technology and industry expertise, hosted several events and workshops. In FY 2021, three new PACE Ports, in Pittsburgh, Toronto and Amsterdam respectively, commenced virtual operations. The PACE Internship Program was launched this year in Amsterdam with a batch of students pursuing Masters in Innovation & Digitalization from Nyenrode Business University.

In keeping with the Company's commitment to social responsibility and environmental stewardship, it launched several new initiatives.

The first edition of TCS Sustainathon, a challenge that aims to inspire students to envision a sustainable future using technology to solve real world problems, focused on reducing food wastage. TCS and the Malaysian petroleum major PETRONAS launched a Social Enterprise Education Lab (SEEd.Lab), an end-to-end incubation program to encourage entrepreneurship and job creation. TCS and Auckland Business School partnered to develop an APAC-Focused Digital Sustainability Index.

Future Course of Action

TCS will continue to scale the Patents, Products and Platforms strategy across the organization, harnessing the collective knowledge and creativity of internal teams and of partners to deliver innovative solutions in support of the Company's pursuit of the growth and transformation opportunity and longer term sustainability goals.

Expenditure on R&D

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

Expenditure incurred in the R&D centers and innovation centers of TCS during FY 2021 and FY 2020 are given below:

(₹ crore)

Expenditure on R&D and innovation		Standalone		Consolidated	
		FY 2021	FY 2020	FY 2021	FY 2020
a.	Capital	1	2	1	2
b.	Recurring	298	300	302	304
c.	**Total R&D expenditure (a+b)**	**299**	**302**	**303**	**306**
d.	Innovation center expenditure	1,546	1,458	1,614	1,561
e.	**Total R&D and innovation expenditure (c+d)**	**1,845**	**1,760**	**1,917**	**1,867**
f.	R&D and innovation expenditure as a percentage of total turnover	1.4%	1.3%	1.2%	1.2%

Foreign exchange earnings and outgo

Export revenue constituted 94.0 percent of the total standalone revenue in FY 2021 (93.4 percent in FY 2020).

(₹ crore)

Foreign exchange earnings and outgo		FY 2021	FY 2020
a.	Foreign exchange earnings	130,720	128,501
b.	CIF Value of imports	241	569
c.	Expenditure in foreign currency	54,800	51,748

29. Acknowledgements

Padma Bhushan Shri. F. C. Kohli, founder and the first CEO of TCS, passed away on November 26, 2020. The Directors place on record their deep appreciation of his vision, leadership, enormous contribution and monumental work in laying the foundation of the Indian IT Industry and express a deep gratitude to his indefatigable, influential spirit for shaping TCS and the fabric of TCS culture.

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

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

The Directors mourn the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

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

On behalf of the Board of Directors

N. Chandrasekaran
Chairman

Mumbai, April 12, 2021

Annual Report on CSR Activities

1. **Brief outline on CSR Policy of the Company**

TCS' vision is to empower communities by connecting people to opportunities in the digital economy and mission is to build inclusive, equitable and sustainable pathways for all including youth, women and marginalized communities.

By prioritizing TCS' focus on education, skilling, entrepreneurship and employment it seeks to help people and communities bridge the opportunity gap. The Company also supports health, wellness, water, sanitation and hygiene needs of communities, especially those that are marginalized. TCS also supports conservation and relief efforts to communities at the time of natural and man-made disasters. Its focus on preserving art and heritage as well as supporting action against climate change remains consistent.

By applying its resources towards communities that need it the most, TCS ensures equitable access. The Company's CSR strategy incorporates an inclusive approach into the design of every program. In India this is aligned to its support of the Government of India's Affirmative Action Policy and the Tata Group's Affirmative Action Program.

To achieve transformational impact, TCS leverages the best of the Company's capabilities – its intellectual, technology, human and financial capital. TCS aims to create innovative solutions to societal challenges applying its contextual knowledge while harnessing the expertise of a diverse network of leaders; execute and scale programs using its technology capabilities; engage its large employee base to volunteer their time, skills and expertise as last-mile connectors and make impact investments in large scale, sustainable, multi-year programs that empower communities.

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

https://on.tcs.com/Global-CSR-Policy

https://www.tcs.com/corporate-social-responsibility

2. **Composition of the CSR committee:**

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	N. Chandrasekaran	Chairman, Non-independent Non-Executive Director	4	4
2	O. P. Bhatt	Member, Independent, Non-Executive Director	4	4
3	N. Ganapathy Subramaniam	Member, Non-Independent, Executive Director	4	4

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company**

   Composition of the CSR committee shared above and is available on the Company's website on https://www.tcs.com/corporate-governance.

   CSR policy - https://on.tcs.com/Global-CSR-Policy

   CSR projects - https://www.tcs.com/corporate-social-responsibility

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

   TCS has been conducting internal impact assessments to monitor and evaluate its strategic CSR programs. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014 and has initiated steps to conduct impact assessment of CSR projects through an independent agency. There are no projects undertaken or completed after January 22, 2021, for which the impact assessment report is applicable in FY 2021.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
	-	NIL	NIL

6. **Average net profit of the Company as per Section 135(5):** ₹33,153 crore

7. (a) **Two percent of average net profit of the Company as per section 135(5) :** ₹663 crore

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years :** NIL

   (c) **Amount required to be set off for the financial year, if any :** NIL

   (d) **Total CSR obligation for the financial year (7a+7b-7c) :** ₹663 crore

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (₹ crore)	Amount Unspent (₹ crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
674	NIL	-	-	NIL	-

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Tata Translational Cancer Research Center	(i)	Yes	West Bengal	Kolkata	6 years	79	3	-	No	Tata Medical Center Trust	CSR00002920
2	BridgeIT - CADAM (Project 2)	(ii)	Yes	Madhya Pradesh Uttar Pradesh Bihar Jharkhand West Bengal	Satna, Rewa Datia, Chhatarpur, Nawada Ranchi, Ramgarh North 24 Parganas	5 years	6	1	-	No	Centre for Alternative Dalit Media	CSR00004191
3	BridgeIT - DF (Project 2)	(ii)	Yes	Karnataka, Odisha	Raichur, Yadgir, Gajapati and Rayagada	5 years	3	1	-	No	Development Focus	CSR00002377
4	BridgeIT - DF (Project 1)	(ii)	No	Mizoram, Karnataka	Aizawl, Raichur	5 years	1	-*	-	No	Development Focus	CSR00002377
5	BridgeIT - CADAM (Project 1)	(ii)	Yes	Haryana, Rajasthan	Ambala, Kurukshetra Bharatpur, Dholpur	5 years	3	-*	-	No	Centre for Alternative Dalit Media	CSR00004191
	TOTAL							**5**				

*Represents value less than ₹0.50 crore.

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ crore)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Contribution for Schedule VII activities	(i), (ii), (iv), (v)	Yes	Pan India		351	No	TCS Foundation	CSR00002960
2	COVID support - PM CARES Fund	(viii)	Yes	Pan India		256	No	PM CARES Fund	-
3	COVID support - Quarantine centre, supply of disinfectant and food packets distribution	(i), (xii)	Yes	Uttar Pradesh Maharashtra	Noida Mumbai	12	Yes	-	-
4	Education and skill building projects	(ii)	Yes	Pan India		7	Yes	-	-
5	Digital Nerve Centre	(i)	Yes	Pan India		6	Yes	-	-
6	COVID support - Food distribution for frontline healthcare workers	(i), (xii)	Yes	Maharashtra	Mumbai	5	No	Taj Public Service Welfare Trust	CSR00000540
7	Community transformation projects	(ii) (iii)	Yes	Pan India		5	Yes	-	-
8	Hospital Management System at Cancer Institute and Tata Medical Centre	(i)	Yes	Tamil Nadu West Bengal	Chennai Kolkata	2	Yes	-	-
9	Centre of Excellence in Cyber Security	(ii) (iii)	Yes	Tamil Nadu	Coimbatore	2	No	Coimbatore Institute of Technology	Registration in progress

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ crore)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
10	Support towards Museum of Art & Photography	(v)	Yes	Karnataka	Bengaluru	1	No	Art & Photography Foundation	Registration in progress
11	Adult Literacy Program	(ii)	Yes	Madhya Pradesh Uttar Pradesh Rajasthan Haryana	Ujjain, Allahabad, Jaipur, Dausa Mewat	-*	No	Humana People To People India	CSR00000929
12	Impact India Foundation	(i)	Yes	Maharashtra	Mumbai	-*	Yes	-	-
13	Infrastructure support to Hospital	(i)	Yes	Maharashtra	Mumbai	-*	No	Society for Rehabilitation of Crippled Children	CSR00003225
14	Restoration and rejuvenation of Siruseri Lake	(iv)	Yes	Tamil Nadu	Chengalpattu	-*	Yes	-	-
15	Andhra Pradesh Social Welfare Residential Educational Institutions Society (APSWREIS) - Student Digital Innovation Program goIT	(ii)	Yes	Andhra Pradesh	Ananthapur, Vizianagaram, Srikakulam, Kadapa, Guntur	-*	Yes	-	-
16	Scholarship program	(ii)	Yes	Madhya Pradesh	Chhindwara	-*	No	NIIT Foundation	CSR00000621
17	Holistic empowerment of differently abled children	(ii)	Yes	Tamil Nadu	Chennai	-*	No	Ramana Sunritya Aalaya Trust	Registration in progress

*Represents value less than ₹0.50 crore.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ crore)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
18	Jal Jeevan Mission	(i)	Yes	Himachal, Uttarakhand, Maharashtra, Rajasthan, Jharkhand, Guajrat, Sikkim, Manipur, Goa	Shimla, Tehri, Grehwal, Dehradun, Nashik, Sirohi, Hazaribag, Dahod, South Sikkim, Imphal East, Imphal West, North and South Goa	-*	Yes#	Tata Community Initiatives Trust	CSR00002739
19	Archaeometallurgical insights on ancient excavations	(v)	Yes	Tamil Nadu	Keeladi, Kodumanal, Adichanallur	-*	No	National Institute of Advanced Studies	Registration in progress
	TOTAL					**647**			

*Represents value less that ₹0.50 crore.

Jal Jeevan Mission project is being jointly implemented with Tata Community Initiatives Trust, CSR reg. no. - CSR00002739

(d) **Amount spent in Administrative Overheads:** ₹22 crore

(e) **Amount spent on Impact Assessment, if applicable:** NIL

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e) :** ₹674 crore

(g) **Excess amount for set off, if any**

Sr. No.	Particular	Amount (₹ crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	**663**
(ii)	Total amount spent for the Financial Year	**674**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**11**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**NIL**
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**11**

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ crore)	Amount spent in the reporting Financial Year (₹ crore)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ crore)
				Name of the Fund	Amount (₹ crore)	Date of transfer	
1	-	NIL	-	-	NIL	-	-

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ crore)	Amount spent on the project in the reporting Financial Year (₹ crore)	Cumulative amount spent at the end of reporting Financial Year (₹ crore)	Status of the project - Completed / Ongoing
1	TTCRC	Tata Translational Cancer Research Centre	FY 2016	6 years	79	3	47	Ongoing
2	BridgeIT	BridgeIT - CADAM (Project 2)	FY 2020	5 years	6	1	2	Ongoing
3		BridgeIT - DF (Project 2)	FY 2020	5 years	3	1	1	Ongoing
4		BridgeIT - DF (Project 1)	FY 2018	5 years	1	-*	1	Ongoing
5		BridgeIT - CADAM (Project 1)	FY 2018	5 years	3	-*	2	Ongoing
6		BridgeIT - Humana	FY 2020	5 years	1	-	-*	Ongoing
7	IIT	Setting up of IIIT at Guwahati, Vadodara, Srirangam, Ranchi and Nagpur in PPP mode	FY 2014	Open ended	29	-	16	Ongoing
	TOTAL					**5**		

*Represents value less than ₹0.50 crore.

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)**

    (a) **Date of creation or acquisition of the capital asset(s) :** None

    (b) **Amount of CSR spent for creation or acquisition of capital asset :** NIL

    (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. :** Not Applicable

    (d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) :** Not Applicable

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) :** Not Applicable

Rajesh Gopinathan
Chief Executive Officer and Managing Director

N. Chandrasekaran
Chairman, Corporate Social Responsibility Committee

Form No. MR-3
Secretarial Audit Report
for the financial year ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Tata Consultancy Services Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2021 according to the applicable provisions of:

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

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

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

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

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

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

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

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

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

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

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

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

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

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

(c) Software Technology Parks of India rules and regulations

(d) The Indian Copyright Act, 1957

(e) The Patents Act, 1970

(f) The Trade Marks Act, 1999

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

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

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

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

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

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

1. The Company has completed buyback of 5,33,33,333 (Five crore thirty three lakh thirty three thousand three hundred and thirty three) fully paid-up equity shares of face value of ₹1 (Rupee One) each ("Equity Shares"), on a proportionate basis, through the Tender Offer route through the Stock Exchange mechanism as prescribed under the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, at a price of ₹3,000 (Rupees Three Thousand only).

For **Parikh & Associates**
Company Secretaries

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

Place: Mumbai
Date: April 12, 2021 UDIN: F000327C000063984

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

'Annexure A'

To,
The Members
Tata Consultancy Services Limited

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

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

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

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

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

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

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

For **Parikh & Associates**
Company Secretaries

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

Place: Mumbai
Date: April 12, 2021 UDIN: F000327C000063984

Corporate Governance Report



I. Company's Philosophy on Corporate Governance

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

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

The Company follows the Tata Group philosophy of building sustainable businesses that are rooted in the community and demonstrate care for the environment. Being a part of the Tata Group, which epitomizes sustainability, TCS has inherited a strong legacy of fair and transparent ethical governance, as embodied in the Tata Code of Conduct (TCoC).

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors.

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

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

The details of TCS' board structure and the various committees that constitute the governance structure[1] of the organization are covered in detail in this report.

[1] 102-18

The various material aspects of corporate governance and TCS' approach to them are discussed in the table below:

Material Topic	TCS' Approach
Avoidance of conflict of interest	Chairmanship of the Board is a non-executive position and separate from that of the Chief Executive Officer and Managing Director (CEO and MD). TCoC[2] for non-executive directors, and for Independent Directors, carries explicit clauses covering avoidance of conflict of interest. Likewise, it explicitly prohibits any employee – including the Managing Director and executive directors – from accepting any position of responsibility, with or without remuneration, with any other organization without TCS' prior written approval. For executive directors and the Managing Director, such approval must be obtained from the Board.
Board independence and minority shareholders' interests	Board independence is ensured by having independent members in majority (five out of nine), and by setting a high bar in terms of the qualifications, expertise and experience in selecting the right mix of individuals to serve on the Board, who can collectively serve the best interests of all stakeholders, maintain board and management accountability and drive corporate ethics, values and sustainability. Board effectiveness is further enhanced by ensuring diversity in terms of gender, nationality, industry and areas of expertise. TCS' Policy on Appointment of Directors and Board Diversity can be found at https://on.tcs.com/appointment-BoD. TCS' governance philosophy around minority shareholders' interests is guided by the TCoC which emphasizes fairness and transparency to all stakeholders. Further a qualified, diverse and independent Board ensures that minority shareholders' interests are protected.

Material Topic	TCS' Approach
	Additionally, TCS strives to reduce information asymmetry through transparency, extensive disclosures and detailed commentary of the demand environment and the state of the business. The company provides a variety of channels including a structured global investor outreach program, through which minority shareholders can interact with the management or the Board. Shareholders can communicate concerns and grievances to the Company Secretary's office through a well-publicized channel, where complaints are tracked to closure. The Stakeholders' Relationship Committee, oversees the redressal of these complaints.
Values, Ethics and compliance[3]	Over the last five decades, TCS has consistently demonstrated a very principled conduct and has earned its reputation for trust and integrity while building a highly successful global business. The company's core values are: Leading Change, Integrity, Respect for the Individual, Excellence, and Learning and Sharing. The TCoC serves as a moral guide and a governing framework for responsible corporate citizenship. It sets out guidelines on various topics including respect for human rights, prohibition of bribery and corruption, recognition of employees' freedom of association, and avoidance of conflicts of interest. Every employee is required to sign the TCoC at the time of joining the company. Annual refresher courses are mandated to ensure continued awareness of the code. Further, frequent communications from the leadership reiterate the importance of our values and the TCoC.

[2] https://www.tcs.com/tata-code-of-conduct

[3] 102-16

Material Topic	TCS' Approach
	Customers and suppliers are made aware of the TCoC principles in contract discussions, and through inclusion of specific clauses in proposals and contracts. The TCS Supplier Code of Conduct is shared with suppliers as part of the procurement process and is published on the TCS website. Employees can raise ethics concerns on Ultimatix – the intranet portal of the Company, which are investigated and tracked to closure by the HR department. Employees and other stakeholders can also report any non-compliance to the TCoC or to the laws of the land by any one directly to the Chairman of the Audit Committee under the Whistle blower Policy without fear of retaliation. Information about these channels is communicated to employees as part of the mandatory training modules. Compliance to laws of the countries in which TCS operate, as well as global legislation such as FCPA, UKBA is monitored through formal compliance procedures led by the corporate compliance office. Changes to legislation are closely monitored, risks are evaluated and effectively managed across our operations. Governance, Risk and Compliance are overseen by Chief Risk Officer and the Chief HR Officer who report to the Chief Operating Officer (COO), Executive Director and CEO and MD respectively. At the apex level, the Audit Committee headed by an Independent Director oversees compliance to the TCoC Anti-bribery and anti-corruption policies, gifting policy and to external regulations.

Material Topic	TCS' Approach
Tax Strategy	TCS is committed to comply with the applicable laws and regulations, and believes in reporting to the respective tax authority, relevant information that is complete and accurate, in a timely manner. TCS does not engage in aggressive and contrived tax planning or tax structuring for the purpose of gaining tax advantages. TCS's tax policy is to optimize the tax cost, avail tax incentives where available, while achieving 100% compliance with the spirit as well as the letter of the tax laws and regulations in all countries in which it operates. Compliance is achieved through a robust compliance reporting and monitoring process, with a strong governance on minimizing the tax risk. TCS has zero tolerance towards tax evasion, or the facilitation of tax evasion, by itself or by its employees or vendors. TCS maintains open and collaborative relationships with governments and tax authorities worldwide. Where appropriate, TCS seeks advance clearance from tax authorities on the proposed tax treatment of transactions, helping pre-empt future disputes.
Succession planning	TCS' philosophy of empowering employees, its industry-leading talent retention, and a decentralized organization structure that devolves executive decision-making across over 150 business units have resulted in a large and deep bench of leadership talent that enables robust succession planning and continuity and consistency in strategy. Succession planning for the top two leadership positions in each business unit is reviewed by senior management. Additionally, heads of business units carry out succession planning for key functions within their units. Succession planning at senior management levels is reviewed by the Board. Business or unit heads are invited to present on specific topics at Board meetings from time to time, offering an opportunity for the directors to assess their values, competencies, and capabilities.

II. Board of Directors

i. As on March 31, 2021, the Company has nine Directors. Of the nine Directors, seven (i.e. 77.8 percent) are Non-Executive Directors out of which five (i.e. 55.6 percent) are Independent Directors. The profiles of Directors are available at https://www.tcs.com/ir-corporate-governance. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

ii. None of the Directors on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as Independent Directors (ID) in more than seven listed entities; and
- who are the Executive Directors serves as IDs in more than three listed entities.

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors. None of the Directors is related to each other except N Ganapathy Subramaniam and N Chandrasekaran.

iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

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

April 16, 2020; July 9, 2020; September 29, 2020; October 7, 2020; November 23, 2020; January 8, 2021; and March 18, 2021.
The necessary quorum was present for all the meetings.

v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2021 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Category	Number of Board Meetings attended during the FY 2021	Whether attended last AGM held on June 11, 2020	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
N Chandrasekaran (Chairman) DIN 00121863	Non-Independent, Non-Executive	7	Yes	6	-	-	-	1. Tata Steel Limited @ 2. Tata Motors Limited@ 3. Tata Consumer Products Limited (Formerly known as Tata Global Beverages Limited) @ 4. The Tata Power Company Limited @ 5. The Indian Hotels Company Limited @ 6. Tata Chemicals Limited @
Rajesh Gopinathan (Chief Executive Officer and Managing Director) DIN 06365813	Non-Independent, Executive	7	Yes	-	-	-	-	-
N Ganapathy Subramaniam (Chief Operating Officer and Executive Director) DIN 07006215	Non-Independent, Executive	7	Yes	1	-	-	-	Tata Elxsi Limited @
O P Bhatt DIN 00548091	Independent, Non-Executive	7	Yes	-	4	2	4	1. Hindustan Unilever Limited # 2. Tata Steel Limited # 3. Tata Motors Limited # 4. Aadhar Housing Finance Limited (Debt Listed) #

Name of the Director	Category	Number of Board Meetings attended during the FY 2021	Whether attended last AGM held on June 11, 2020	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
Aarthi Subramanian DIN 07121802	Non-Independent, Non-Executive	7	Yes	2	5	1	2	Tata Capital Limited (Debt Listed) @
Dr Pradeep Kumar Khosla DIN 03611983	Independent, Non-Executive	7	Yes	-	-	-	-	-
Hanne Sorensen DIN 08035439	Independent, Non-Executive	7	Yes	-	1	-	2	Tata Motors Limited #
Keki Mistry DIN 00008886	Independent, Non-Executive	7	Yes	-	5	1	5	1. Housing Development Finance Corporation Limited $ 2. Torrent Power Limited # 3. HDFC Life Insurance Company Limited ^ 4. HDFC Asset Management Company Limited@
Don Callahan DIN 08326836	Independent, Non-Executive	6	Yes	-	-	-	-	-

Category of directorship held:

@Non-Independent, Non-Executive # Independent, Non-Executive $ Executive Director ^ Nominee, Non-Executive

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in FY 2021 were held through Video Conferencing.

vi. During FY 2021, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

vii. During FY 2021, one meeting of the Independent Directors was held on April 15, 2020. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

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

ix. Details of equity shares of the Company held by the Directors as on March 31, 2021 are given below:

Name	Category	Number of equity shares
N Chandrasekaran	Non-Independent, Non-Executive	177,056
Aarthi Subramanian	Non-Independent, Non-Executive	5,600
Rajesh Gopinathan	Non-Independent, Executive	2,760
N Ganapathy Subramaniam	Non-Independent, Executive	197,760
Keki Mistry*	Independent, Non-Executive	4,150

**includes shares held jointly with relative*

The Company has not issued any convertible instruments.

x. The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. Being an IT service provider, the Company's business runs across different industry verticals, geographical markets and is global in nature. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

III. Committees of the Board

i. There are six Board Committees as on March 31, 2021, details of which are as follows:

<table>
<tr><th>Name of the Committee</th><th>Extract of terms of reference</th><th colspan="2">Category and composition</th><th>Other details</th></tr>
<tr><td rowspan="8">Audit Committee</td><td rowspan="8">Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.
• Oversight of financial reporting process.
• Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
• Evaluation of internal financial controls and risk management systems
• Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
• Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.
• To consider matters with respect to the Tata Code of Conduct, Anti-Bribery and Anti-Corruption Policy and Gifts Policy.</td><td>Name</td><td>Category</td><td rowspan="8">• Four meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.
• Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.
• The Company Secretary acts as the Secretary to the Audit Committee.
• Rajendra Moholkar is the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code.
• Quarterly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.
• The previous AGM of the Company was held on June 11, 2020 and was attended by Keki Mistry, Chairman of the Audit Committee.</td></tr>
<tr><td>Keki Mistry (Chairman)</td><td>Independent, Non-Executive</td></tr>
<tr><td>O P Bhatt</td><td>Independent, Non-Executive</td></tr>
<tr><td>Aarthi Subramanian</td><td>Non-Independent, Non- Executive</td></tr>
<tr><td>Dr Pradeep Kumar Khosla</td><td>Independent, Non-Executive</td></tr>
<tr><td>Hanne Sorensen</td><td>Independent, Non-Executive</td></tr>
<tr><td>Don Callahan</td><td>Independent, Non-Executive</td></tr>
<tr><td colspan="2"></td></tr>
</table>

<table>
<tr><th>Name of the Committee</th><th>Extract of terms of reference</th><th colspan="2">Category and composition</th><th>Other details</th></tr>
<tr><td>Nomination and Remuneration Committee</td><td>Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.
• Recommend to the Board the setup and composition of the Board and its Committees.
• Recommend to the Board the appointment / re-appointment of Directors and Key Managerial Personnel.
• Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
• Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees.
• Oversee familiarization programs for Directors.</td><td>Name
O P Bhatt (Chairman)
N Chandrasekaran
Aarthi Subramanian
Hanne Sorensen</td><td>Category
Independent, Non-Executive
Non-Independent, Non-Executive
Non-Independent, Non-Executive
Independent, Non-Executive</td><td>• Two Nomination and Remuneration Committee meetings were held during the year under review.
• The Company does not have any Employee Stock Option Scheme.
• Details of Performance Evaluation Criteria and Remuneration Policy are provided at serial no. III(iii) below.
• The previous AGM of the Company was held on June 11, 2020 and was attended by O P Bhatt, Chairman of the Nomination and Remuneration Committee.</td></tr>
<tr><td>Stakeholders' Relationship Committee</td><td>Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.
The broad terms of reference are as under:
• Consider and resolve the grievances of security holders.
• Consider and approve issue of share certificates, transfer and transmission of securities, etc.
• Review activities with regard to the Health Safety and Sustainability initiatives of the Company.</td><td>Name
Dr Pradeep Kumar Khosla (Chairman)
Rajesh Gopinathan
Keki Mistry</td><td>Category
Independent, Non-Executive
Non-Independent, Executive
Independent, Non-Executive</td><td>• Two meetings of the Stakeholders' Relationship Committee were held during the year under review.
• Details of Investor complaints and Compliance Officer are provided at serial no. III(ii) below.
• The previous AGM of the Company was held on June 11, 2020 and was attended by Dr Pradeep Kumar Khosla, Chairman of the Stakeholders' Relationship Committee.</td></tr>
</table>

Name of the Committee	Extract of terms of reference	Category and composition		Other details
Corporate Social Responsibility ("CSR") Committee	Committee is constituted in line with the provisions of Section 135 of the Act. • Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act. • Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy. • Monitor the CSR Policy.	**Name**	**Category**	• Four meetings of the CSR Committee were held during the year under review. • Four Board meetings of TCS Foundation, a Section 8 company which was incorporated with sole objective of carrying on Corporate Social Responsibility (CSR) activities of the Company were held during the year.
		N Chandrasekaran (Chairman)	Non-Independent, Non-Executive	
		O P Bhatt	Independent, Non-Executive	
		N Ganapathy Subramaniam	Non-Independent, Executive	
Risk Management Committee ("RMC")	Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations. • Formulate, monitor and review risk management policy and plan, inter alia, covering investment of surplus funds, management of foreign exchange risks, cyber security risks, data privacy risks and intellectual property infringements risks. • Approve addition / deletion of banks from time to time for carrying out Treasury transactions and delegate the said power to such person as may deem fit.	**Name**	**Category**	• Four meetings of the RMC were held during the year under review. • Fortnightly reports on management of foreign exchange risks are made available to the members of the RMC.
		Keki Mistry (Chairman)	Independent, Non-Executive	
		Don Callahan	Independent, Non-Executive	
		Rajesh Gopinathan	Non-Independent, Executive	
		N Ganapathy Subramaniam	Non-Independent, Executive	
		Ramakrishnan V	Chief Financial Officer	
Executive Committee	Detailed review of the following matters which form part of terms of Executive Committee, were presented to the Board: • Business and strategy review; • Long-term financial projections and cash flows; • Capital and revenue budgets and capital expenditure programmes; • Acquisitions, divestments and business restructuring proposals; • Senior management succession planning; • Any other item as may be decided by the Board.	**Name**	**Category**	• The said matters were discussed in various Board meetings held during the year under review in the presence of the Executive Committee Members with the intent to avail expertise of all Board members.
		N Chandrasekaran (Chairman)	Non-Independent, Non-Executive	
		Rajesh Gopinathan	Non-Independent, Executive	
The terms of reference of these committees are available on the website (https://www.tcs.com/ir-corporate-governance)				

ii. Stakeholders' Relationship Committee - other details

a. Name, designation and address of Compliance Officer:

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

b. Details of investor complaints received and redressed during FY 2021 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
-	86	86	-

iii. Nomination and Remuneration Committee - other details

Performance Evaluation Criteria for Independent Directors:

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

Remuneration Policy:

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

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and the Executive Directors. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members and are effective April 1, each year.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Act, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the Managing Director and each Executive Director.

The Company pays sitting fees of ₹30,000 per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of committees of the Board. The Company also pays commission to the Non-Executive Directors within the ceiling of 1 percent of the net profits of the Company as computed under the applicable provisions of the Act, with the approval of the members. The said commission is decided each year by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and distributed amongst the Non-Executive Directors based on the Board evaluation process, considering criteria such as their attendance and contribution at the Board and Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. The Remuneration policy is available on https://on.tcs.com/remuneration-policy.

iv. Details of the Remuneration for the year ended March 31, 2021:

a. Non-Executive Directors:

(₹ lakh)

Name	Commission	Sitting Fees
N Chandrasekaran, Chairman@	-	3.90
O P Bhatt	230.00	5.40
Aarthi Subramanian@@	-	3.90
Dr Pradeep Kumar Khosla	185.00	4.20
Hanne Sorensen	185.00	4.20
Keki Mistry	200.00	5.40
Don Callahan	200.00	4.50
Total	**1,000.00**	**31.50**

@ As a policy, N Chandrasekaran, Chairman, has abstained from receiving commission from the Company.

@@ In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata company.

b. Managing Director and Executive Director

(₹ lakh)

Name of Director	Salary	Benefits, Perquisites and Allowances	Commission	ESPS
Rajesh Gopinathan Chief Executive Officer and Managing Director (w.e.f. February 21, 2017 for a period of 5 years)	127.50	209.04	1,700.00	-
N Ganapathy Subramaniam Chief Operating Officer and Executive Director (w.e.f. February 21, 2017 for a period of 5 years)	121.50	188.93	1,300.00	-

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

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

v. Number of committee meetings held and attendance records

Name of the Committee →	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
No. of meetings held →	4	2	2	4	4
Date of meetings →	April 16, 2020; July 9, 2020; October 7, 2020 and January 8, 2021	April 16, 2020 and October 7, 2020	July 14, 2020 and January 15, 2021	April 29, 2020; July 23, 2020; October 30, 2020 and February 11, 2021@	April 6, 2020; July 3, 2020; October 1, 2020 and January 15, 2021
No. of Meetings Attended					
Name of Member					
N Chandrasekaran	-	2	-	4	-
Rajesh Gopinathan	-	-	2	-	4
O P Bhatt	4	2	-	4	-
N Ganapathy Subramaniam	-	-	-	4	4
Aarthi Subramanian	4	2	-	-	-
Dr Pradeep Kumar Khosla	4	-	2	-	-
Hanne Sorensen	4	2	-	-	-
Keki Mistry	4	-	2	-	4
Don Callahan	4	-	-	-	4
Ramakrishnan V	-	-	-	-	4
Whether quorum was present for all the meetings	The necessary quorum was present for all the above committee meetings				

@ TCS Foundation, a Section 8 company incorporated in 2015 with sole objective of carrying on Corporate Social Responsibility (CSR) activities of the Company, has held four meetings during the FY 2021.

Due to the exceptional circumstances caused by the COVID-19 pandemic all Committee meetings in FY 2021 were held through Video Conferencing.

IV. General Body Meetings

i. General Meeting

a. Annual General Meeting ("AGM"):

Financial Year	Date	Time	Venue
2018	June 15, 2018	3.30 p.m.	Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai – 400 020
2019	June 13, 2019		
2020	June 11, 2020		Meeting conducted through VC / OAVM pursuant to the MCA Circular

b. Extraordinary General Meeting:

No extraordinary general meeting of the members was held during FY 2021.

c. Special resolution:

Special resolution for re-appointment of O P Bhatt as an Independent Director was passed at the AGM held in 2019 and no special resolution was passed in the previous AGMs held in 2018 and 2020.

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

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated October 7, 2020 for buy-back of its equity shares, which was duly passed and the results of which were announced on November 18, 2020. P N Parikh (Membership No. FCS 327) of Parikh & Associates, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot process only by voting through electronic means (remote e-voting) in a fair and transparent manner.

Description of the Resolution	Votes in favour of the resolution			Votes against the resolution			Invalid votes	
	Number of members voted	Number of valid Votes cast (Shares)	Percentage of total number of valid votes cast	Number of members voted	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
Approval for Buy-back of Equity Shares	5,202	3,482,270,324	99.57	289	14,932,052	0.43	0	0

Procedure for postal ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 33/2020 dated September 28, 2020, issued by the Ministry of Corporate Affairs.

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

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

V. A certificate has been received from Parikh & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

VI. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W – 100022) has been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis for FY 2021 is given below:

(₹ lakh)

Particulars	Amount
Services as statutory auditors (including quarterly audits)	910.1
Tax audit	63.5
Services for tax matters	24.8
Other matters	389.4
Re-imbursement of out-of-pocket expenses	78.7
Total	**1,466.5**

VII. Other Disclosure

Particulars	Statutes	Details	Website link for details / policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2021 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.	https://on.tcs.com/RPT
Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three financial years.	Schedule V (C) 10(b) to the SEBI Listing Regulations	Nil	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has this Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	https://on.tcs.com/WhistleBP
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	• A message from the Chief Executive Officer and Managing Director on the half-yearly financial performance of the Company including a summary of the significant events in the six month period ended September 30, 2020 was sent to every member. • The auditors' report on financial statements of the Company are unmodified. • Internal auditors of the Company make quarterly presentations to the audit committee on their reports.	

Particulars	Statutes	Details	Website link for details / policy
Subsidiary Companies	Regulation 24 of the SEBI Listing Regulations	The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted subsidiary company. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.	https://on.tcs.com/Subsidiary
Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted this policy.	https://on.tcs.com/Material
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted this policy.	https://on.tcs.com/Archival
Reconciliation of Share Capital Audit Report	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No D&CC / FITTC/ Cir-16/2002 dated December 31, 2002.	A qualified practising Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.	https://www.tcs.com/corporate-governance
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2021. The Integrated Annual Report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from the members of the Board and Senior Management.	https://www.tcs.com/tata-code-of-conduct

Particulars	Statutes	Details	Website link for details / policy
Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	A regular annual dividend generally consists of three interim dividends after each of the first three quarters of the fiscal year, topped up with a final dividend after the fourth quarter. In addition, every second or third year, the accumulated surplus cash has been returned to shareholders through a special dividend.	https://on.tcs.com/Dividend
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment / re-appointment of Independent Directors are available on the Company's website.	https://on.tcs.com/ApptID
Familiarization Program	Regulations 25(7) and 46 of SEBI Listing Regulations	Details of familiarization program imparted to Independent Directors are available on the Company's website.	https://on.tcs.com/familiarization-programme
Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018	Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014	The details have been disclosed in the Business Responsibility Report forming part of the Integrated Annual Report.	

VIII. Means of Communication

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers in India which include The Indian Express, Financial Express, Loksatta, Business Standard, The Hindu Business Line, Hindustan Times and Sandesh. The results are also displayed on the Company's website www.tcs.com. Statutory notices are published in The Free Press Journal, Business Standard and Navshakti. The Company also issues press releases from time to time. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors / analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website. Frequently Asked Questions (FAQs) giving details about the Company and its shares is uploaded on the Company's website https://www.tcs.com/investor-relations. A Management Discussion and Analysis Report is a part of this Integrated Annual Report.

IX. General shareholder information

i. Annual General Meeting for FY 2021

Date : June 10, 2021

Time : 3.30 p.m. (IST)

Venue : Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM.

For details, please refer to the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

ii. Financial Calendar

Year ending : March 31

AGM in : June

iii. Dividend Payment : The final dividend, if approved, shall be paid / credited on Monday, June 14, 2021

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

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

BSE Limited
P. J. Towers, Dalal Street, Mumbai 400 001

vi. Stock Codes / Symbol

NSE : TCS

BSE : 532540

Listing Fees as applicable have been paid.

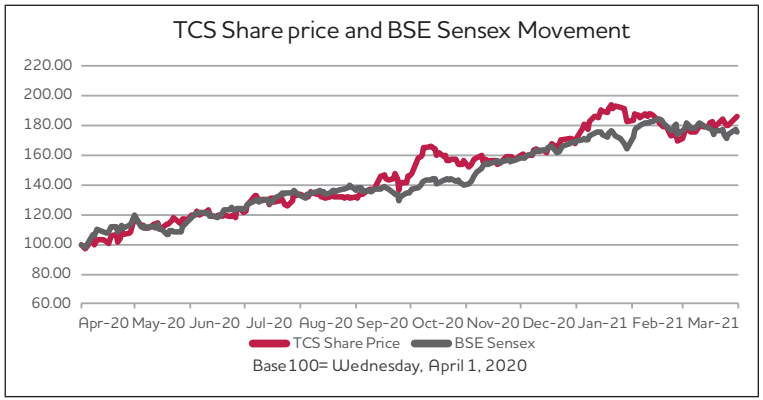
vii. Corporate Identity Number (CIN) of the Company : L22210MH1995PLC084781

viii. Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in FY 2021 on NSE and BSE:

Month	NSE			BSE		
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares traded
Apr-2020	2,014.45	1,654.20	88,921,044	2,014.85	1,654.40	2,933,547
May-2020	2,020.35	1,891.65	65,346,426	2,018.95	1,891.25	2,336,179
Jun-2020	2,118.85	2,016.10	73,994,030	2,115.60	2,010.90	5,655,678
Jul-2020	2,309.75	2,092.05	106,381,350	2,309.20	2,092.55	4,563,262
Aug-2020	2,308.10	2,238.55	65,561,599	2,307.70	2,237.10	2,141,484
Sep-2020	2,522.95	2,246.35	116,408,785	2,523.55	2,245.30	4,232,712
Oct-2020	2,830.00	2,523.45	128,618,662	2,831.20	2,522.75	4,370,785
Nov-2020	2,726.60	2,604.60	65,135,883	2,725.90	2,603.85	2,612,896
Dec-2020	2,930.50	2,709.45	62,832,148	2,930.65	2,708.45	3,035,676
Jan-2021	3,308.80	2,928.25	84,685,394	3,308.20	2,928.20	6,356,022
Feb-2021	3,214.10	2,894.30	65,464,843	3,215.15	2,896.05	3,780,459
Mar-2021	3,177.85	2,924.20	71,839,687	3,177.60	2,926.20	3,093,672

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



x. Registrars and Transfer Agents

Name and Address : TSR Darashaw Consultants Private Limited (TCPL)
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli West, Mumbai 400083
Telephone : 022 6656 8484
Extn : 411/412/413
Fax : 022 6656 8494
E-mail : csg-unit@tcplindia.co.in
Website : https://www.tcplindia.co.in

Effective April 1, 2021, the registered address of TCPL has changed to the abovementioned address from 6, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.

xi. Places for acceptance of documents:

Documents will be accepted at the above address between 10.00 a.m. and 3.30 p.m. (Monday to Friday except bank holidays).

For the convenience of the shareholders, documents will also be accepted at the following branches of TCPL:

a. Branches of TCPL:

- **Bengaluru**
  C/o. Mr. D. Nagendra Rao
  "Vaghdevi" 543/A, 7th Main
  3rd Cross, Hanumanthnagar
  Bengaluru – 560019
- **Kolkata**
  C/o Link Intime India
  Private Limited
  Vaishno Chamber,
  Flat No. 502 & 503
  5th Floor, 6, Brabourne Road
  Kolkata – 700001
- **Ahmedabad**
  C/o Link India Intime Private Limited
  Amarnath Business Centre-1 (ABC-1)
  Beside Gala Business Centre
  Nr. St. Xavier's College Corner
  Off. C.G. Road, Ellisbridge
  Ahmedabad – 380006
- **Jamshedpur**
  Bungalow No. 1, 'E' Road,
  Northern Town Bistupur,
  Jamshedpur - 831001
- **New Delhi**
  C/o Link Intime India
  Private Limited
  Noble Heights, 1st Floor
  Plot No NH-2, C-1 Block, LSC
  Near Savitri Market, Janakpuri
  New Delhi – 110058

xii. Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

xiii. Shareholding as on March 31, 2021:

a. Distribution of equity shareholding as on March 31, 2021:

Number of shares	Holding	Percentage to capital	Number of accounts	Percentage to total accounts
1 – 100	22,300,258	0.6	875,220	78.8
101 - 500	39,873,938	1.1	195,829	17.6
501 - 1000	15,299,099	0.4	21,296	1.9
1001 - 5000	28,370,143	0.7	14,577	1.3
5001 - 10000	9,465,878	0.3	1,337	0.1
10001 - 20000	9,558,427	0.3	675	0.1
20001 - 30000	6,285,683	0.2	257	0.0
30001 - 40000	6,191,165	0.2	179	0.0
40001- 50000	5,588,711	0.1	124	0.0
50001 -100000	25,925,253	0.7	359	0.1
100001 - above	3,530,192,818	95.4	909	0.1
GRAND TOTAL	**3,699,051,373**	**100.0**	**1,110,762**	**100.0**

b. Categories of equity shareholding as on March 31, 2021:

Category	Number of equity shares held	Percentage of holding
Promoters	2,669,125,829	72.2
Other Entities of the Promoter Group	1,078,469	0.0
Mutual Funds and UTI	105,446,780	2.8
Banks, Financial Institutions, States and Central Government	2,717,528	0.1
Insurance Companies	180,602,928	4.9
Foreign Institutional Investors and Foreign Portfolio Investors - Corporate	577,872,115	15.6
NRI's / OCB's / Foreign Nationals	5,783,506	0.2
Corporate Bodies / Trust	23,550,503	0.6
Indian Public and Others	129,412,703	3.5
Alternate Investment Fund	2,924,427	0.1
IEPF account	536,585	0.0
GRAND TOTAL	**3,699,051,373**	**100.0**

c. Top ten equity shareholders of the Company as on March 31, 2021:

Sr. No.	Name of the shareholder*	Number of equity shares held	Percentage of holding
1	Tata Sons Private Limited	2,669,125,829	72.2
2	Life Insurance Corporation of India	143,882,693	3.8
3	Invesco Oppenheimer Developing Markets Fund	29,442,588	0.8
4	SBI Mutual Fund	26,771,470	0.7
5	Axis Mutual Fund Trustee Limited	20,931,890	0.6
6	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	13,581,105	0.4
7	NPS Trust Account	13,327,027	0.4
8	Government Of Singapore	13,123,054	0.4
9	Vanguard Total International Stock Index Fund	12,174,731	0.3
10	First State Investments Icvc- Stewart Investors Asia Pacific Leaders Fund	11,529,019	0.3

*Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

xiv. Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.97 percent of the Company's equity share capital are dematerialized as on March 31, 2021. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE467B01029.

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

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence, as on March 31, 2021, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

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

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

xvii. Equity shares in the suspense account:

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

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2020	26	1,640
Shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Shareholders to whom shares were transferred from the suspense account during the year	-	-
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021	26	1,640

The voting rights on the shares outstanding in the suspense account as on March 31, 2021 shall remain frozen till the rightful owner of such shares claims the shares.

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

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

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

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

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

The details of unclaimed dividends and shares transferred to IEPF during FY 2021 are as follows:

Financial year	Amount of unclaimed dividend transferred (₹ lakh)	Number of shares transferred
2012-13	144.57*	15,391
2013-14	121.45	226,716
TOTAL	**266.02**	**242,107**

*Includes final dividend of erstwhile TCS e-Serve Limited and erstwhile CMC Limited

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

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

a. For shareholders of TCS:

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2013-14	June 27, 2014	July 27, 2021
2014-15	July 17, 2014	August 18, 2021
	October 16, 2014	November 16, 2021
	January 15, 2015	February 15, 2022
	June 30, 2015	July 30, 2022
2015-16	July 9, 2015	August 9, 2022
	October 13, 2015	November 12, 2022
	January 12, 2016	February 11, 2023
	June 17, 2016	July 17, 2023
2016-17	July 14, 2016	August 15, 2023
	October 13, 2016	November 16, 2023
	January 12, 2017	February 12, 2024
	June 16, 2017	July 16, 2024
2017-18	July 13, 2017	August 13, 2024
	October 12, 2017	November 12, 2024
	January 11, 2018	February 10, 2025
	June 15, 2018	July 15, 2025
2018-19	July 10, 2018	August 9, 2025
	October 11, 2018	November 10, 2025
	January 10, 2019	February 9, 2026
	June 13, 2019	July 13, 2026
2019-20	July 9, 2019	August 8, 2026
	October 10, 2019	November 9, 2026
	January 17, 2020	February 16, 2027
	March 10, 2020	April 9, 2027
	June 11, 2020	July 11, 2027
2020-21	July 9, 2020	August 8, 2027
	October 7, 2020	November 6, 2027
	January 8, 2021	February 7, 2028

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

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2013-14	June 23, 2014	July 22, 2021
2014-15	June 11, 2015	July 10, 2022
2015-16	July 16, 2015	August 18, 2022

xix. Plant locations:

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

xx. Address for correspondence:

Tata Consultancy Services Limited
9th Floor, Nirmal Building Nariman Point, Mumbai 400 021
Telephone: 91 22 6778 9595
Designated e-mail address for Investor Services: investor.relations@tcs.com
For queries on IEPF related matters: iepf.assist@tcs.com
Website: www.tcs.com

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

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

I confirm that the Company has in respect of the year ended March 31, 2021, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, Global Head - HR, Global Business Unit Heads, Global Head - Legal and the Company Secretary as on March 31, 2021.

Rajesh Gopinathan
Chief Executive Officer and
Managing Director

Mumbai, April 12, 2021

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Tata Consultancy Services Limited

We have examined the compliance of the conditions of Corporate Governance by Tata Consultancy Services Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

P N Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327C000064501

Mumbai, April 12, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Tata Consultancy Services Limited
9th Floor, Nirmal Building,
Nariman Point, Mumbai 400 021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Tata Consultancy Services Limited** having CIN **L22210MH1995PLC084781** and having registered office at 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company *
1.	N Chandrasekaran	00121863	September 6, 2007
2.	Rajesh Gopinathan	06365813	February 21, 2017
3.	N Ganapathy Subramaniam	07006215	February 21, 2017
4.	O P Bhatt	00548091	April 2, 2012
5.	Aarthi Subramanian	07121802	March 12, 2015
6.	Dr. Pradeep Kumar Khosla	03611983	January 11, 2018
7.	Hanne Sorensen	08035439	December 18, 2018
8.	Keki Mistry	00008886	December 18, 2018
9.	Don Callahan	08326836	January 10, 2019

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

P N Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327C000064655

Mumbai, April 12, 2021

Management Discussion and Analysis

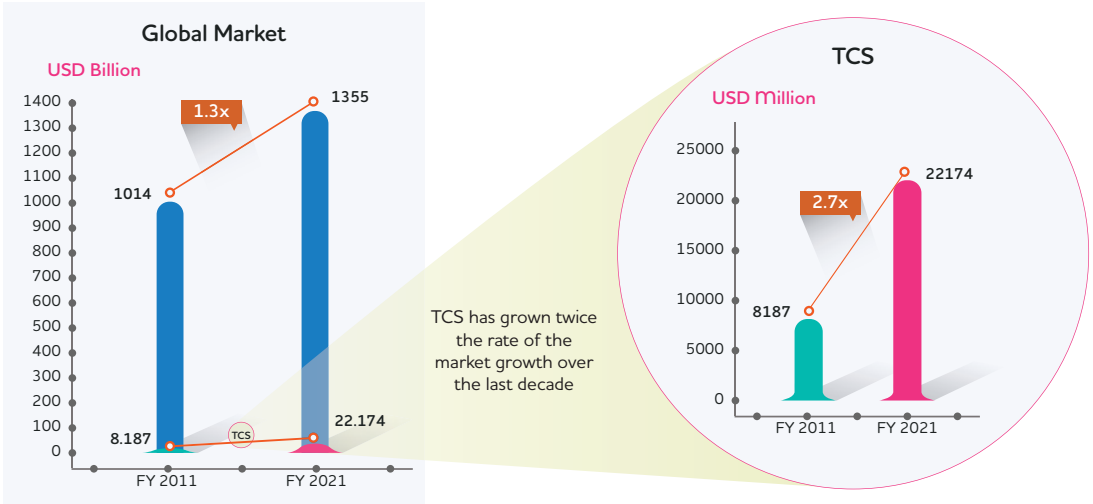


OVERVIEW OF THE INDUSTRY

The pandemic is estimated to have caused a 3.3% contraction of the world output in CY 2020[1], with advanced economies contracting 4.7%, and many sectors such as travel, hospitality, transportation, aerospace, consumer discretionary and small enterprises getting impacted severely across the world. Consequently, global technology spend[2] declined 3.2% to about $1.4 trillion in 2020. Within that, IT services spending declined more, down 3.9%, while Business Process Management declined by 2.4%.

While the spending showed a decline on a full year basis, technology was center-stage in enterprises' response to the pandemic-related lockdowns and thereafter. After the initial contraction due to dislocations, the need for business continuity, operational resilience and the switch to digital transactions drove strong demand for IT services over the rest of the year.

Demand for services around remote connectivity, cybersecurity, collaboration tools, digitized processes, automation and cloud adoption, progressively strengthened in the course of the year.



[1] World Economic Outlook, IMF, April 2021
[2] Nasscom Strategic Review Report 2021

Very importantly, as consumers shifted to digital channels for most of their needs, enterprises realized the need to invest in enhancing customer experience. This significantly accelerated investments in digital transformation and cloud adoption.

The global market for IT services continues to be a highly fragmented one, with even the largest provider having a mid-single digit market share. TCS is among the largest IT services providers globally, with a market share of 1.6%, and has significantly outperformed the market, growing at twice the rate of market growth over the last decade. This may be attributed to market share gains resulting from TCS' customer-centric strategy and organization structure, focused investments in building superior capabilities, better execution resulting greater customer satisfaction, and steadily expanding participation in customers' growth and transformation spends.

TCS' BUSINESS

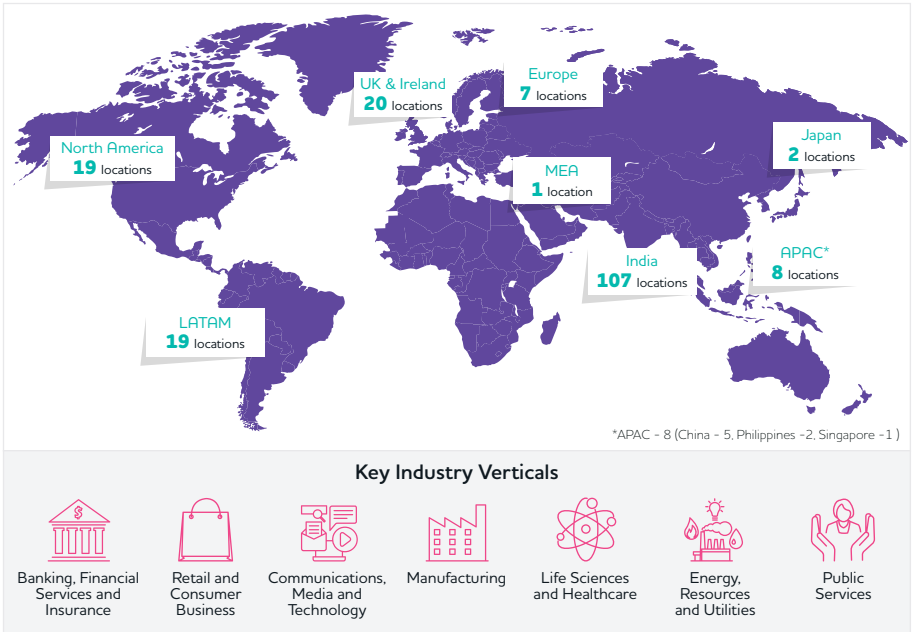
An Overview[3]

TCS is an IT services, consulting and business solutions organization partnering many of the world's largest businesses in their transformational journeys for the last 50 years. It has a global presence, deep domain expertise in multiple industry verticals and a complete portfolio of offerings – grouped under consulting and service integration, digital transformation services, cloud services, cognitive business operations, and products and platforms – targeting every C-suite stakeholder.

The Company leverages all these and its deep contextual knowledge of its customers' businesses to craft unique, high quality, high impact solutions designed to deliver differentiated business outcomes. These solutions are delivered using its Secure Borderless Workspaces™ (SBWS™) operating model which enables a highly distributed, Location Independent Agile™ delivery.

TCS geographic footprint covers North America, Latin America, the United Kingdom, Continental Europe, Asia-Pacific, India, and Middle-East and Africa[4].

TCS considers industry verticals as its go-to-market business segments. The five key vertical clusters are: Banking, Financial Services and Insurance (BFSI), Retail and Consumer Business, Communications, Media and Technology (CMT), Manufacturing and Others. The last category includes Life Sciences and Healthcare, Energy, Resources and Utilities, Public Services and others.

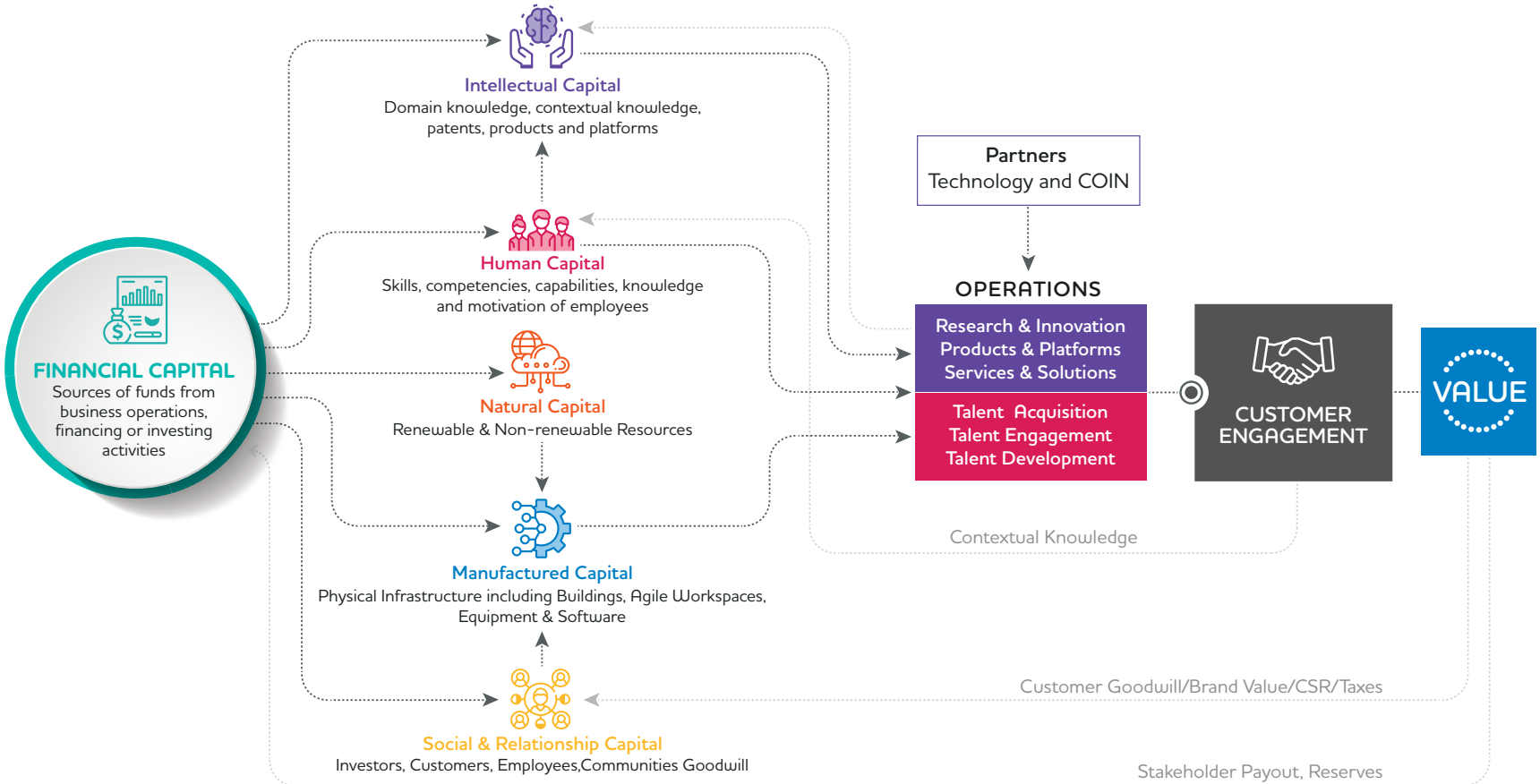


TCS Global Delivery Footprint

[3] 102-2

[4] 102-4, 102-6

Integrated Business Model



INPUT	OUTPUT	OUTCOMES
Financial Capital 	• **₹164,177 crore** Revenue • **4.4x** growth over the last decade • **25.9%*** Operating margin • **₹50,430 crore** Invested Funds • **116.2%*** Operating cash flow to Net income ratio • **101.5%*** Shareholder payout to Net income ratio	• Strong growth creates more jobs, and career growth opportunities for employees • Best in class profitability and strong balance sheet provide greater ability to invest in newer capabilities and to weather economic downturns • Consistently high shareholder returns enhances relationship capital
Intellectual Capital 	• **5,879** Patents applied • **1,850** Patents granted • **67** academic partnerships and ecosystem of **2,400** startups in COIN program • **6,000+** innovators nurtured till date	• Enabled new business models, new revenue streams • Expanded the addressable market • Differentiated positioning; superior speed to market and generate higher quality revenues • Winning large growth and transformation engagements
Human Capital 	• **40,185** Net addition of employees • **7.2%** Attrition • **43 million** learning hours logged • **379k+** associates trained in new technologies • **457k+** associates trained in agile	• Best in class talent retention helps foster contextual knowledge, ensures stability in delivery teams • Upskilling and reskilling at scale has created a large and deep pool of expertise
Natural Capital 	• **48.8%** reduction in absolute carbon footprint YoY (Scope 1 + Scope 2) • **63.9%** Reduction in fresh water consumption YoY • **1.65** Power utilization efficiency achieved at 21 data centers	• Limited the impact of the company's physical operations • Fulfilled responsibilities towards environmental stewardship
Manufactured Capital 	• **1,000+** Number of agile workspaces • **5** PacePorts • **30+** innovation labs • **11** cities with Covid care centers within TCS Facilities	• Enabled wider adoption of TCS' pioneering Location independent agile model, pre-pandemic • Easy switchover to the SBWS during the pandemic • Greater visibility of TCS' Research and Innovation • More innovation engagements • Relief to employees needing Covid care
Social & Relationship Capital 	• **48** $100M+ clients • **101** $50M+ clients • **$14.9 billion** Brand Valuation • **₹737 crore** CSR spend • **1.8 million+** Number of beneficiaries of global CSR initiatives • **787k+** Volunteering hours spent on CSR	• Deep and enduring customer relationships with high repeat business • Greater revenue visibility, lower selling expense • Stronger brand, helping drive higher quality revenue • Very high goodwill in the community, fulfilling the company's purpose

* Excluding provision towards legal claim

Value Creation Model[5]

Talent and creativity, that is represented by **human capital**, is at the core of TCS' value creation engine.

TCS continually enhances its **human capital** by acquiring the best talent available in each of the markets it operates in, providing a supportive and vibrant workplace to engage that talent, investing in upskilling individuals with the latest technology skills, and giving them career paths matching their aspirations.

A firm belief in organic talent development, and of investing in people has helped TCS successfully navigate through multiple technology cycles over the last five decades, pivoting and adapting each time to build relevant new capabilities through reskilling of the workforce at scale and helping customers realize the benefits of emerging technologies.

The company's industry-aligned, customer-centric organization structure has resulted in each business unit acquiring tremendous domain depth, and the account teams within those units building up immense customer-specific contextual knowledge. This domain expertise, contextual knowledge, project management experience and technology expertise gained on the job represents a conversion of human capital into **intellectual capital**.

TCS applies some of its **intellectual capital** towards investments in research and innovation (R&I), exploring the creative use of newer technologies to solve business problems across different industry verticals. In addition to its own intellectual capital, TCS also partners with leading technology providers, start-ups and academic researchers to leverage their intellectual capital and build solutions.

The immediate tangible outcomes of TCS' R&I, produced by in-house teams or co-created with customers or partners, are patents, proofs of concepts, and pilot solutions. The latter two are showcased at various innovation centers and Pace Ports™, and trigger conversations with customers on innovation in their specific business contexts. These often culminate in them signing up TCS as their innovation partner.

Some of the innovative software solutions piloted by R&I, that are assessed to have a material market potential are productized, adding to TCS' large portfolio of products and platforms. These expand the organization's **intellectual capital**; create new, higher value revenue streams, adding to the **financial capital**; and enhance its brand positioning i.e. **relationship capital**.

Customer Engagement

TCS uses its **intellectual capital** and **human capital** to build impactful, customized technology and business solutions that address the customer's business problems. Further, its ability to stitch together complex, holistic solutions that address the needs of all stakeholders in the enterprise, along with the high levels of trust engendered in customer relationships, helps it win large transformation deals. These deals bring in high quality revenues, powering industry-leading organic growth and margins, boosting the company's **financial capital**.

These solutions create immense value for its customers by helping them embrace new business models, pursue new revenue streams, deliver superior customer experiences or build resilience and efficiency into their operations, and gain competitive differentiation.

The company's strong service orientation, willingness to invest in the relationship, commitment to deliver impactful outcomes and track record of execution excellence have resulted in consistently high customer satisfaction levels and long, enduring customer relationships. The resultant expansion in **relationship capital** translates into a very high level of repeat business that lends greater visibility and predictability to the business model.

TCS constantly invests in building newer capabilities and expanding its offerings. By cross-selling and up-selling these new offerings, customer engagements continually expand over the years, covering newer and newer areas of the enterprise's operations.

[5] 103-2

This further broadens and deepens the contextual knowledge of customers' business and IT landscapes, further enhancing TCS' **intellectual capital**.

Over time, this combination of business knowledge, contextual knowledge, technology depth, and intellectual property has become a steadily deepening moat around the company's business model and sharpened its differentiated positioning.

Value Sharing

Best in class profitability, reduced cost of capital due to a more predictable and resilient business, and high cash conversion on account of superior execution have resulted in a high return on equity. All this and a shareholder-friendly capital allocation policy have boosted the company's **relationship capital** with shareholders.

The investments in people, research and innovation, and intellectual property creation are all charged off and not capitalized. The company's capital expenditure to support its growth – **manufacturing capital** – towards building campuses, Agile workspaces, innovation centers, and Pace Ports is modest relative to its size. That and the focus on pursuing organic business growth opportunities maximizes the free cash flow available for distribution to shareholders.

TCS' physical operations consume **social capital** in the form of license to operate in each of the communities where it has its facilities, and **natural capital** in terms of its environmental footprint. TCS enhances its **social capital** with local communities across the world by investing in areas such as education, skill development, employability, health and wellness, and the environment, mapped to UN Development Goals[6]. On the environmental front, TCS has a systematic program to reduce its carbon and resource consumption footprint – including the use of green IT, green buildings, intelligent energy management using its own IoT-based solution and water and waste recycling. It has also been reducing business travel through greater use of video and audio conferencing and other collaboration tools. The near complete switchover to virtual ways of interaction during the pandemic is expected to continue in the longer term, resulting in a structurally smaller environmental footprint in the future.

TCS' business model and strategy have resulted in deep and enduring customer relationships, a vibrant and engaged workforce, a steady expansion of its addressable market, a strong reputation as a responsible corporate citizen and a proven track record in delivering longer term stakeholder value. All of this has significantly enhanced the company's brand value, which is a quantifiable measure of its **social** and **relationship capital** with stakeholders.

[6] 102-12: TCS is a signatory to the UN Global Compact and aligned with its ten principles. It is also one of the earliest companies in India to participate in the Carbon Disclosure Project (CDP).

Strategy for Sustainable Growth

Customer-centricity is at the heart of TCS' strategy, organization structure and investment decisions. TCS' customer-centric worldview helps spot trends early, embrace business opportunities by making the right investments and mitigating risks while discharging its social and environmental responsibilities. The company invests in broadening and deepening customer relationships by continually looking for new areas in their value chain where the company can add value, proactively investing in building newer capabilities, reskilling its workforce and launching newer services, solutions, products and platforms. Over time, TCS' participation has also extended into the departmental budgets of other stakeholders within the customers' organizations – business heads, CMOs, CROs, COOs, CFOs and even CEOs. This has not only embedded TCS deeper into their businesses but has also resulted in a continual increase in services consumed, revenues and share of wallet, as evidenced by the client metrics reported every quarter and every year.

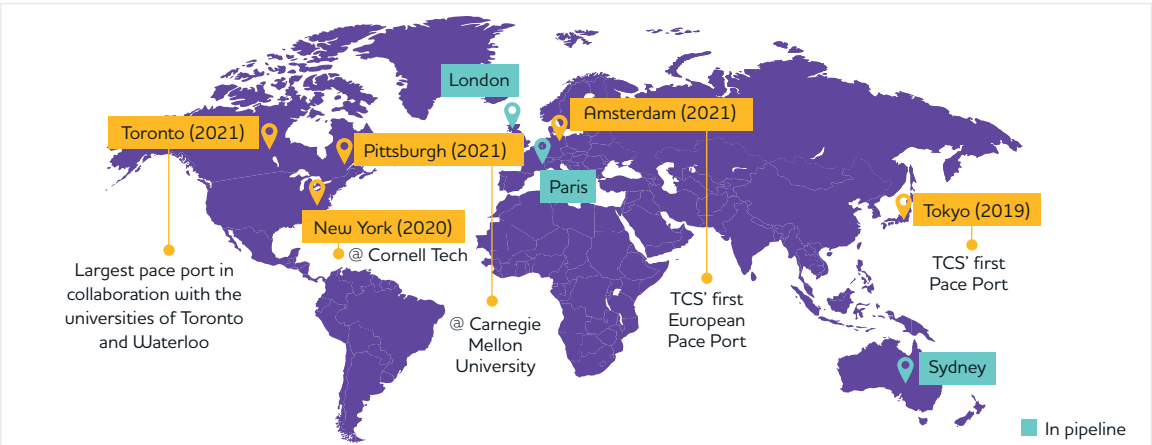
At an aggregate level, this strategy has resulted in deep and enduring customer relationships, a vibrant and engaged workforce, a steady expansion of the addressable market, and a proven track record in delivering longer term stakeholder value.

Enabling Investments

TCS pioneered the use of the word 'digital' to describe the new family of technologies that emerged in the last few years. Quick to recognize their potential, the company made investments ahead of time[7] in developing relevant capabilities – in terms of reskilling the workforce, research and innovation around the creative use of these technologies to address business problems across different industries, building collaborative workspaces and innovation centers, IP in these new areas, and alliances and partnerships. Those early investments have given TCS a head start in participating in its customers' growth and transformation journeys.

To showcase the outcomes of its own Research and Innovation, and to provide ideation and prototyping spaces for collaborating with customers on their innovation, TCS has been investing in creating a network of Pace Ports in all its major markets. These co-innovation and advanced research centers consist of TCS COIN™ accelerators, Agile workspaces, academic research labs and an innovation showcase, and will help engage customers through the discovery, definition, refinement and delivery phases of innovation. The company set up its first Pace Port in Tokyo (FY 2019) and the second in New York (FY 2020), at the Tata Innovation Center in the Cornell Tech campus. In FY 2021, three new Pace Ports – at Amsterdam, Pittsburgh and Toronto respectively – became operational digitally.

TCS continued to invest in intellectual property and launched several new products within the ignio™ suite, the TCS BaNCS™ suite and the TCS ADD suite. There were also new service offerings launched, catering to the



- **TCS Digital Library:** An interactive channel that delivers cutting-edge thought leadership digitally
- **TCS Rapid Labs:** An innovation factory for quick turnaround of proofs of concepts and MVPs
- **TCS Academic Research Lab:** A collaborative medium to strike partnerships with academia
- **TCS Innovation Showcase:** A sensory experience of TCS' ongoing research and innovation stories
- **TCS COIN™ Accelerator:** An entrepreneurial forum to bring together client teams to solve specific customer problems
- **TCS Agile Workspace:** An environment to produce working-quality pilots and MVP software in short and fast increments
- **TCS Think Space:** A space for researchers and analysts to create new solutions by leveraging digital forces and design thinking methodology

TCS Pace Port™ Network: Integrating Capabilities to Drive Innovation

[7] Ref MD&A – AR FY 2011, CEO's Letter – AR FY 2012

evolving needs of customers during the pandemic. To gain leadership in the rapidly expanding services opportunity around the hyperscale cloud platforms, TCS launched dedicated practice units around AWS, Microsoft Azure and Google Cloud Platform. Each unit is a full-service, multidisciplinary organization offering customers the full range of transformational and operational services on the respective technology stacks, spanning advisory services, migration, application and data modernization, including SaaS and enterprise productivity suites, infrastructure, cyber-security and edge.

TCS also operationalized ten new Threat Management Centres (TMCs) across locations - including the US, UK, Spain and India - for providing cyber security services locally to its enterprise customers. These centres will focus on providing cyber security solutions and services, including managed detection and response services, incident management and breach support, on-demand cyber vigilance services, digital forensics and regulatory compliance.

Thought Leadership

TCS' Business 4.0™ thought leadership framework [8] to guide customers in their growth and transformation journeys was refreshed in FY 2021 to include the defining attributes of successful organizations: purpose-driven, resilient and adaptable. These attributes develop from following four behaviors: mass personalize, leverage ecosystems, embrace risk and create exponential value. This is accomplished by harnessing the abundance of resources – compute power, storage, talent, market reach – created by the convergence of intelligence, agility, automation and cloud.

In addition to this, TCS articulated its three-horizon cloud transformation journey roadmap to guide customers in their core transformation and cloud investments. While these provide a way for customers to think through their digital transformation journeys at a business model level, TCS' thought-leading execution framework consisting of the Location Independent Agile model and the Machine First™ Delivery Model found significant traction in FY 2021, as customers sought greater operational resiliency and efficiency. Operating model transformations using a Machine First approach were seen by customers as foundational for their growth and transformation initiatives.

TCS' Location Independent Agile model allows large transformational programs to be delivered by globally distributed teams working collaboratively in an Agile mode, resulting in significant speed to market, reduced risk and enhanced customer experiences. The underlying project management methodology, governance structures, processes and controls, and security protocols were extended to implement SBWS, a fully location-agnostic model for remote working that lends further resilience to the delivery model.

Building on the success of its SBWS model, TCS is now further innovating with service delivery models, launching talent clouds, which enable greater fungibility of talent, resulting in faster project ramp-ups and better delivery outcomes for customers while resulting in higher employee satisfaction.

Outcomes

TCS' thought leadership and investments have made it the preferred innovation and transformation partner to progressive enterprises across different industry verticals. Customers bank on TCS' contextual knowledge and solutioning capabilities to leverage new technologies to change their business models, drive new revenue streams, strengthen customer relationships by offering superior experiences, or transform their operations.

This has increased demand for the entire gamut of services, solutions, products and platforms offered by TCS, resulting in a stronger order book, more robust revenue growth, and improved market share. These transformational engagements are raising TCS' profile within C-suites, embedding its teams more deeply within customers' businesses and resulting in greater predictability and resilience.

[8] Ref AR FY 2018

TCS Strategy

Market Trends	TCS Approach	Outcomes
• More and more industries are leveraging technology to differentiate themselves • Customers want solutions to business problems and not just technology skills	• Position as a growth and transformation partner • More investment in research and innovation, co-innovation and collaboration • Domain-specific IP • Greater focus on contextual knowledge • Proactive solution selling	• Industry-defining mega deals • Thinner competitive set • Higher quality revenue • More fulfilling work; better retention
• Non-CIO buyers emerging in enterprises	• Full stakeholder services and solutions	• Expansion of addressable market • More deeply embedded in customer's business; greater resilience and visibility • Higher profile, strategically more important engagements
• Transformational partners selected based on solution quality and time to market	• Leverage TCS' contextual knowledge, Location Independent Agile, Machine First Delivery Model and Intellectual Property	• Thinner competitive set • Higher quality revenue
• Greater platformization of business	• Launch of cloud based platforms and new business models • Leverage IP portfolio	• Large deals that improve business visibility • Expansion of addressable market • Frees up spends for systems of differentiation
• Pandemic disruption highlights need for operational resilience and enterprise adaptability	• Launch of SBWS • Greater focus on Location Independent Agile and MFDM • Promote operating model transformation using AI	• Highlights company's responsiveness • Market share expansion

FY 2021 PERFORMANCE OVERVIEW: HUMAN CAPITAL[9]

Talent Management

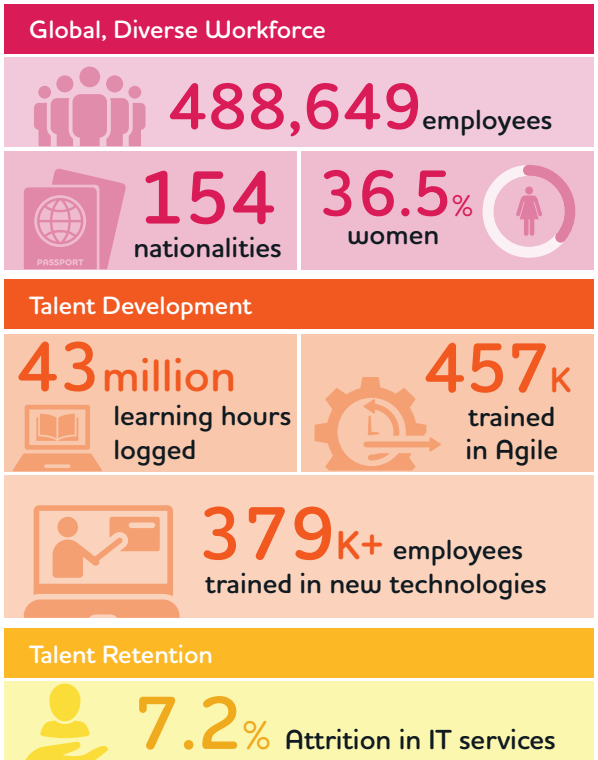
The ability to attract, motivate, develop and retain talent is critical to TCS' continued success. The company's HR strategy is focused on attracting the best talent globally, reskilling and transforming the workforce and providing a stimulating workplace, which is flexible, nurtures social contract, fosters innovation, and builds a result-oriented, high performance culture. The progressive policies, continual investment in upgrading employees' skills and the philosophy of empowering individuals and helping them realize their potential have made TCS' HR processes and outcomes an industry benchmark.

The SBWS operating model that was rolled out in a record three weeks towards the end of the last fiscal year, proved its strength in FY 2021, enabling every activity that hitherto required physical presence, to be executed remotely. Freed from the constraints of physical location, TCS launched an innovative concept of talent clouds or virtual teams of individuals who are physically distributed across locations, but made available to any project seamlessly, as per client demand and project requirement. This has helped open up more opportunities for employees to explore, across industries, domains and markets, while enabling better utilization of smaller talent pools. Customers are particularly delighted by the faster project ramp-ups that this model enables, and the superior outcomes.

TCS also announced Vision 25x25, wherein by year 2025, only 25% of the workforce will need to be physically present in TCS offices at any point, and an employee needs to spend no more than 25% of their time in a TCS office to be 100% productive. This is expected to make a significant difference to employees' quality of life, open up opportunities to demographic segments disadvantaged by the current way of working, help enhance TCS' ability to attract and retain diverse talent further and reduce its environmental footprint.

Pandemic Support

Employee health and wellbeing continued to be a key priority in FY 2021. In addition to existing health care benefits, which are a benchmark in the industry, the company launched several initiatives to help employees receive prompt medical attention. Besides a medical helpline, TCS partnered with leading healthcare chains to provide ambulance services, hospital admission assistance and home healthcare services to employees in India.

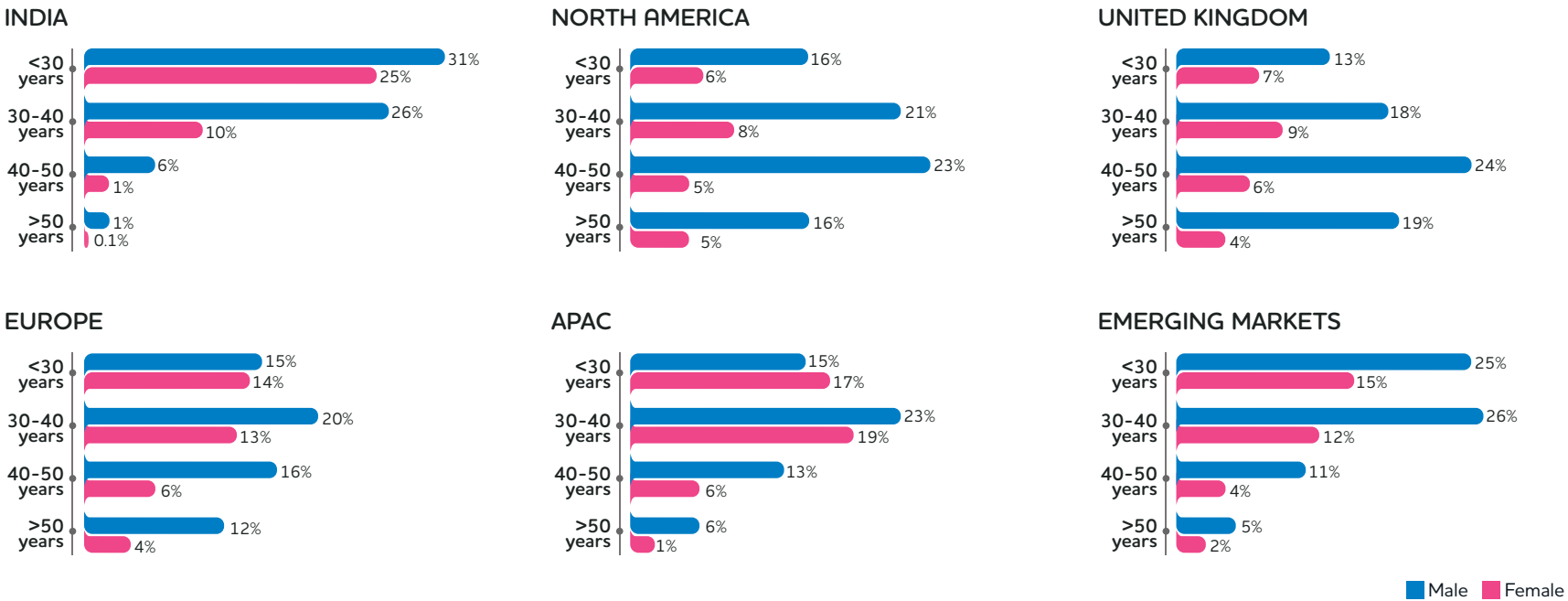


[9] 103-2, 103-3

TCS also set up first-line COVID-19 Care Centers at its premises in 11 cities in India to help employees and their dependents quarantine safely and receive medical attention. The functioning of the existing Occupational Health Centers (OHC) was revisited to ensure better preparedness for medical emergencies from a COVID-19 perspective, with round the clock availability of OHC doctors, and tele medicine.

Thousands of employees and their families who were stranded overseas due to flight cancelations were repatriated through the Vande Bharat Mission. TCS provided self-help resources and counselling services to help employees overcome mental and emotional challenges through the TCS Cares initiative.

A break-up of the workforce by region, age and gender is provided in the charts below[10].



TCS Employees by Region, Age and Gender

[10] 102-8

Talent Acquisition[11]

TCS' talent acquisition strategy is to identify, engage and hire Top Talent with the right competencies required by the business at the right time to promote future business growth. TCS continues to be the Employer of Choice and delivers a meaningful experience to associates and business through an agile, and data driven ecosystem.

The company remains the preferred employer at leading engineering campuses in India. The company's college recruitment efforts in USA, Canada, Latin America, China and Hungary have been progressing well with very encouraging outcomes. TCS was one of the largest job creators in IT services in several major markets. In the United States, TCS has hired over 21,500 employees over the last five years.

In FY 2021, the company had a net addition of **40,185** employees to its global workforce.

TCS National Qualifier Test

This nationwide online test administered by TCS iON™ has helped TCS tap into the larger national talent pool and boosted the quality of entry-level talent. The FY 2021 was fully virtual, so students could attend it from the safety and comfort of their homes.

- Participation by **368,894** students
- **3,157** colleges represented

Academic Interface Program

TCS partners with academic institutions to enhance their curriculum and pedagogy. Activities include workshops, internships, sponsorship of contests, faculty development programs, research scholarships, curriculum review and launch of new programs.

- **India:**
  - **686** institutes
  - **1,069** student workshops; **120,996** students
  - **524** Faculty Development Programs; **20,306** teachers
  - **1,302** internships, incl **20** global interns
- **Outside India**
  - **422** institutes
  - **330** student workshops; **21,991** students
  - **10** Faculty Development Programs; **651** teachers
  - **296** internships
- **2,332** associates are pursuing higher studies under the TCS Higher Education program

Gamified hiring

Programming contests to spot top talent

- **3,708** Gamified hiring offers made
- **354,000+** registrations from **98** countries in CodeVita's 9th season

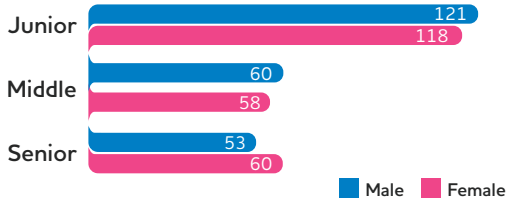
Launchpad 2021

Exclusive Campus Commune channel to engage 2020-21 batch through blogs, quizzes, podcasts, webinars, to nurture the talent and also prepare them for the upcoming National Qualifier Test (NQT).

- **247,000+** students of the FY 2021 batch participated

[11] 102-9

Talent Development[12]



FY 2021 Average learning hours per employee[13]

TCS takes a purpose-centric approach to learning and development that leverages horizontal collaboration and the abundance of internal talent in an ecosystem where the training is just-in-time, just-for-me and just-enough.

In response to COVID-19, rigor in learning was intensified, with a focus on building deeper and higher competencies. Starting with the post-offer engagement to onboarding – the entire process has been 100% virtual. This virtual ecosystem has enabled trainees to become SBWS-enabled and start their business journey immediately after joining. In the new way of working, engagement with learners has changed significantly.

- Reinvention of teaching and assessment methods with virtual breakout rooms, digital whiteboards, menti-meters, peer tagging, simulation, online games etc.
- Rollout of virtual versions of previously in-person leadership and soft skills programs for uninterrupted upskilling.
- Segmentation of employees to achieve focused learning objectives. Eg: by allocation status, by experience levels, by extent of digital skills etc.

The Contextual Masters pool has grown to over 16,000 in FY 2021, further strengthening the Company's cadre of Growth and Transformation leaders capable of engaging with CXOs on their transformation agenda.

Talent Engagement

TCS has proactively reimagined employee engagement with its "Engagement with Purpose" model focused on health and wellbeing, lifelong learning, career development, living TCS' values, social collaboration and community service. It is a virtual, mass-personalized subscription-based program with continuous real time feedback. The company has meaningfully engaged with over 400,000 employees, helping foster togetherness during trying times. The #OneTCS Channel has seen very good response and has helped employees meet, connect, learn, share and spend some time with each other virtually. The Company's internal associate satisfaction survey PULSE showed the highest associate satisfaction and engagement scores in the last 13 years.

Some of the platforms and initiatives used by TCS to enhance and enrich employee engagement are:

- **Cara:** AI-based HR assistant that answers employee questions on HR policies.
- **Milo:** Chatbot to facilitate the mentoring process.
- **Knome, KnowMax, GEMS:** Platforms for social collaboration within the organization, learning, sharing and for rewards and recognition.
- **Safety First:** Initiative focused on employee safety and security.
- **Fit4life:** Builds a fraternity of health and fitness conscious employees and creates a culture of fitness
- **Purpose4life:** Forum for volunteering for community projects in the areas of education, health and environment.
- **Maitree:** Community of TCSers and their families who plan activities that help create a bond among employees and promote work-life balance.

[12] 103-2, 103-3
[13] 404-1

- **PULSE:** TCS' annual employee engagement and satisfaction survey is the organization's formal listening forum.

- **TCS Cares:** Program aimed at creating robust avenues to build an emotionally strong and mentally resilient workforce.

Career Management

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

- **Xcelerate** is an integrated platform to capture associates' aspirations and mapping them to future opportunities.

- **iConnect** is a highly collaborative tool designed to help employees reach out to senior mentors for guidance on career paths, have face to face dialogues about their role and career. It provides flexibility for group mentoring as well as individual mentoring.

- **Inspire** is the high potential program for mid-level employees. It helps identify high potentials as early as possible, invest in them continuously, enable accelerated growth, and transition them to leadership roles, and reward and recognize their efforts and success.

- **Talent Review** is TCS' process to assess and review the leadership pool in the organization. It enables leaders to share their career aspirations and preferences of mobility, followed by an assessment of their leadership attributes. The objective of the program is to create and sustain a healthy leadership pipeline.

- **Exciting Opportunities** is the internal platform to publish niche and critical requirements to the leadership and high potential communities, thereby facilitating talent mobility. This embodies the company's philosophy of giving the first right of refusal for all leadership positions to internal candidates, thereby enabling better leadership development and building strong organizational loyalty.

Competitive Compensation

TCS' business model depends on its ability to attract and retain talent in the highly competitive, global market for software engineers with graduate or post-graduate degrees in engineering and with relevant technical skills.

Compensation levels are merit based, determined by qualification, experience levels, special skills if any, and individual performance. Compensation structures are driven by prevailing practices in each country that TCS operates in. The company regularly benchmarks its compensation plans and benefits with the market to ensure competitiveness.

Across the enterprise, remuneration is the same for men and women working full-time, in the same grade, in the same role, and at the same location[14]. Where relevant, the company publishes the raw mean and median pay differences between genders (not normalized for part-timers or grade and role differences) on its own website as well as on public sites.

The company offers a variety of benefits to full time employees including parental leave[15]. In FY 2021, a total of 16,907 employees availed of parental leave. Of these, 116 were men and 16,791 were women. Of the 18,767 employees whose parental leave ended during the year, 127 were men and 18,640 were women. Of these, 91 men and 16,176 women employees rejoined work, amounting to a retention rate of 72% and 87% respectively.

At TCS, three months' notice is required from either side for termination[16]. In India, 0.03% of the workforce is unionized[17]. Although most of the

[14] 405-2
[15] 401-3
[16] 402-1
[17] 102-41

organization's activities are performed by full-time employees, TCS uses contractors, especially for short-term assignments or those requiring skills not internally available.

In FY 2021, the company launched Elevate, a new merit-based, democratized and transparent talent framework designed to establish a tighter linkage between learning, skill development, career and compensation. Over 138,000 employees were onboarded in this program.

Talent Retention

TCS' empowering culture, philosophy of investing in people, career growth opportunities, and progressive HR policies have resulted in consistently high retention levels and developed a strong employer brand. In recent years, the company's investments in organic talent development and initiatives like Contextual Masters have further reassured employees that the company values them for the contextual knowledge they possess and is prepared to invest in equipping them with new-age technology skills that they do not have.

This has made TCS the employer of choice, and its employee retention record an industry benchmark. In FY 2021, TCS' IT services attrition rate was at an all-time low of 7.2%.

Talent Diversity[18]

TCS is an equal opportunity employer, embracing diversity in race, nationality, religion, ethnicity, marital status, gender, age, physical ability, and sexual orientation.

Through a variety of initiatives and campaigns, the company celebrates the diversity within the workforce and promotes inclusion. The company has a well-defined and progressive Diversity and Inclusion Policy with a focus on gender diversity (men, women, non-binary gender), persons with disability and neuro diversity, sexual orientation, diversity of the mind and generational diversity. This includes parental leave and insurance cover for LGBTQ+ partners and gender re-assignment surgery, besides equal opportunity and fair practice. TCS' Center of Excellence for Accessibility works on IT solutions for differently abled individuals, aiding their integration into the workforce.

The company believes that its new hybrid working model as envisaged by Vision 25x25 is inherently more inclusive, and will help various demographic groups disadvantaged by the old way of working, to overcome those constraints and pursue fulfilling careers at TCS, further boosting workforce diversity.

[18] 103-2, 103-3

Towards creating a more inclusive and equitable workplace, the company has programs like:.

- Champions of Equity, a company-wide campaign that entails senior leaders pledging to fair and equitable practices and serving as role models to the rest of the organization.
- Allies of Diversity, a larger dialog on diversity and inclusion that also includes leaders from customer organizations.
- Race Education, a learning initiative to build awareness around socio-cultural understanding of race and its manifestation at the workplace.

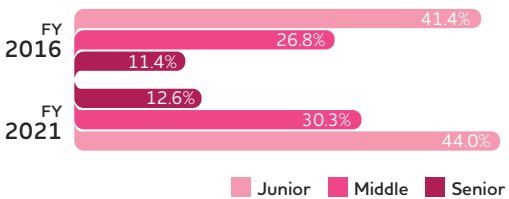
Women in the Workforce

TCS is one of the world's largest employers of women. The company has multiple initiatives for helping women employees realize their potential, while striking a good work-life balance. These include discussion circles and support groups to help women through major life stages, re-orientation programs to reconnect employees after long childcare leave, interactions with inspirational women leaders, and special leadership development programs to address the needs and aspirations of women at different stages in their careers, learning modules to equip mid-level managers to work with diverse teams, tie-ups with day care centers near the workplace, virtual support groups and parenting workshops.

iExcel is TCS' flagship program to groom mid-level women managers for business leadership roles through an immersive curriculum designed to improve problem solving, learning agility and innovation. Till date, over 969 employees have undergone this program, including 343 women leaders in the virtual editions organized in FY 2021.

These programs are yielding encouraging results and are expected to steadily increase gender diversity especially at senior levels in the coming years. A few key outcomes are detailed below:

- **Participation:** The overall percentage of women in the workforce has gone up from 33.8% in FY 2016 to 36.5% in FY 2021. There has been significant improvement in women's participation across different levels over the last five years:



Women in the Workforce

- **Role Mobility:** 67% of the participants in the iExcel program reported role movements thereafter. 42% experienced upward progression, 4% had enhanced responsibilities, while 21% had lateral movements.
- **Mentorship:** Participants in these programs are also helping develop and advance others. 343 iExcellers are active mentors, having mentored 2,310 employees till date, an average of 7 mentees per iExcel mentor.
- **Innovation:** This is a high focus area, helping TCS gain a differentiated positioning in the market. Of the 2,837 unique inventors responsible for the 1,850 granted patents till date, 607 are women.

Occupational Health and Safety[19]

TCS has a well-defined Occupational Health and Safety policy and supporting processes to ensure the safety and well-being of its employees. Safety lead and lag indicators are measured across the organization and reported. The board-level Stakeholders' Relationship Committee reviews the company's health and safety performance on a regular basis. Over 96% of the workforce is represented in joint management-employee health and safety committees[20] that monitor, advise and drive occupational, health and safety initiatives.

TCS is certified to ISO 45001:2018 Occupational Health and Safety Management System standard across 120 of its facilities worldwide. With SBWS becoming the new normal, employee engagement programs transitioned to be able to address the most material issues for employees while they work from home. Ergonomics and general safety at home, stretches and fitness, including yoga and meditation practices, mental health – were the most relevant topics which drew employee participation. Employees' families, including children, were also engaged in such sessions.

SBWS Ergo track was instituted to help employees understand ergonomic stressors and equip them with ways to adopt the best feasible posture while working from home. Ergonomics @ Home webinars were conducted every week, reaching over 10,000 employees. There were also sessions on ergonomics for employees' kids. A series of self-help tools were created for employees including tips and videos on home ergonomic postures and workstation stretches, blogs posts on ergonomics and wellbeing and an ergo self-assessment quiz. The program has reached over 27,000 employees since the start of SBWS.

Awards and Accolades for Human Capital

- Given the Best of Best award by the Association of Talent Development for the second time in a row, for sustained excellence in learning integration and effectiveness, strategic value of learning and individual and company performance.

[19] 103-2, 103-3
[20] 403-4

- Awarded 18 Stevies® at the 2020 Great Employers Awards; six Gold Stevies, eight Silver Stevies and four Bronze Stevies in recognition of TCS' talent management, CSR and business practices that have helped it attract retain the best talent to build a global, diverse workforce, and a vibrant workplace.

- Won the Top Women Award for Corporate Citizenship in South Africa, hosted by Standard Bank, in recognition of its role in advancing women to leadership roles.

- Named a Global Top Employer by the Top Employers Institute for the sixth successive year for its employee-friendly workplace practices and continued investments in building up talent across the organization through professional development initiatives and digital skills programs. In addition, it has been certified as a Top Employer in Europe, UK, North America, APAC, MEA and LATAM. It was ranked the #1 Top Employer in the US, UK, Finland, Switzerland, Singapore, Philippines, Malaysia, Hong Kong, Ecuador, Chile and Australia in the country-wise rankings.

- Won three awards for talent management and excellence in learning at the 2020 Brandon Hall Group Awards; two Gold awards for 'Best Advance in Creating a Talent Strategy' and 'Best Learning Program Supporting a Change Transformation Business Strategy' and a Silver award in the category 'Best Use of Games and Simulations for Learning'.

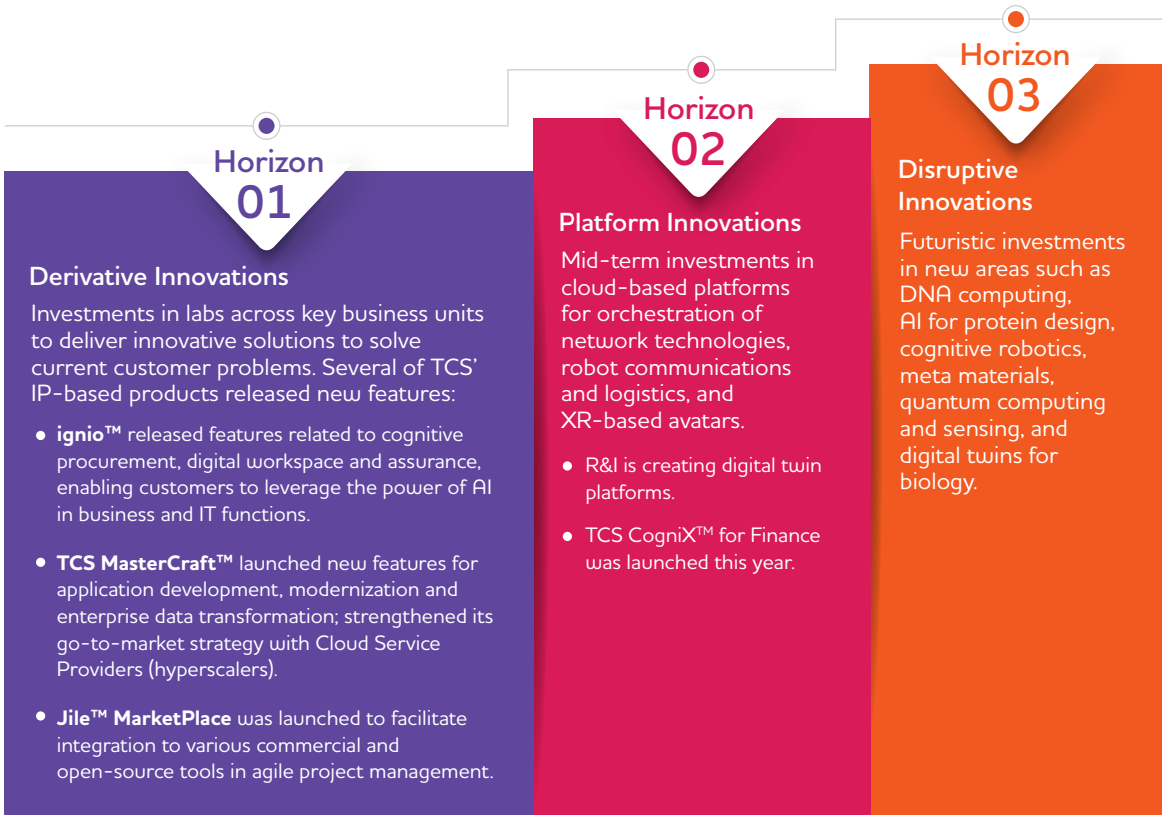


FY 2021 PERFORMANCE OVERVIEW: INTELLECTUAL CAPITAL

This is a milestone year for TCS Research and Innovation (R&I). TCS' first research lab was established forty years ago at the Tata Research, Design and Development Centre (TRDDC) in Pune. TCS Research marked its 40th year by adopting a new brand identity with the tagline `Inventing for Impact'. TCS R&I made a significant contribution towards mitigating the effect of the pandemic across areas such as drug candidate molecule discovery, COVID data management, diagnostic kits and epidemiological study.

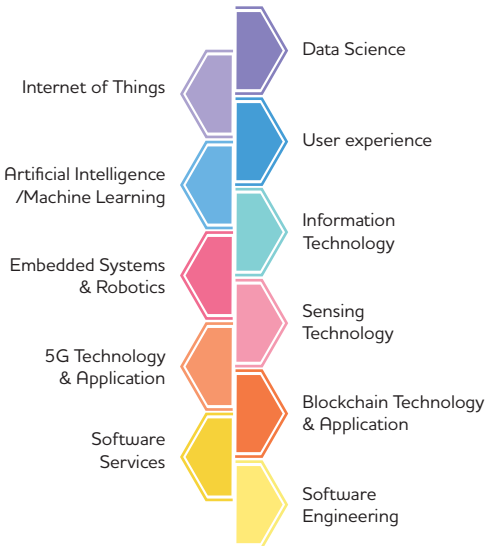
Sustained investments over the years have resulted in a significant scaling up of TCS' R&I footprint over the last four decades. Today, TCS has research labs and innovation centers around the world, some deeply embedded within business units, some in collaboration with academia, as part of Pace Ports, as well as dedicated Agile Innovation Centers for customers. The company has over 6,000 inventors and innovators working on advancing scientific knowledge and solving real-world problems.

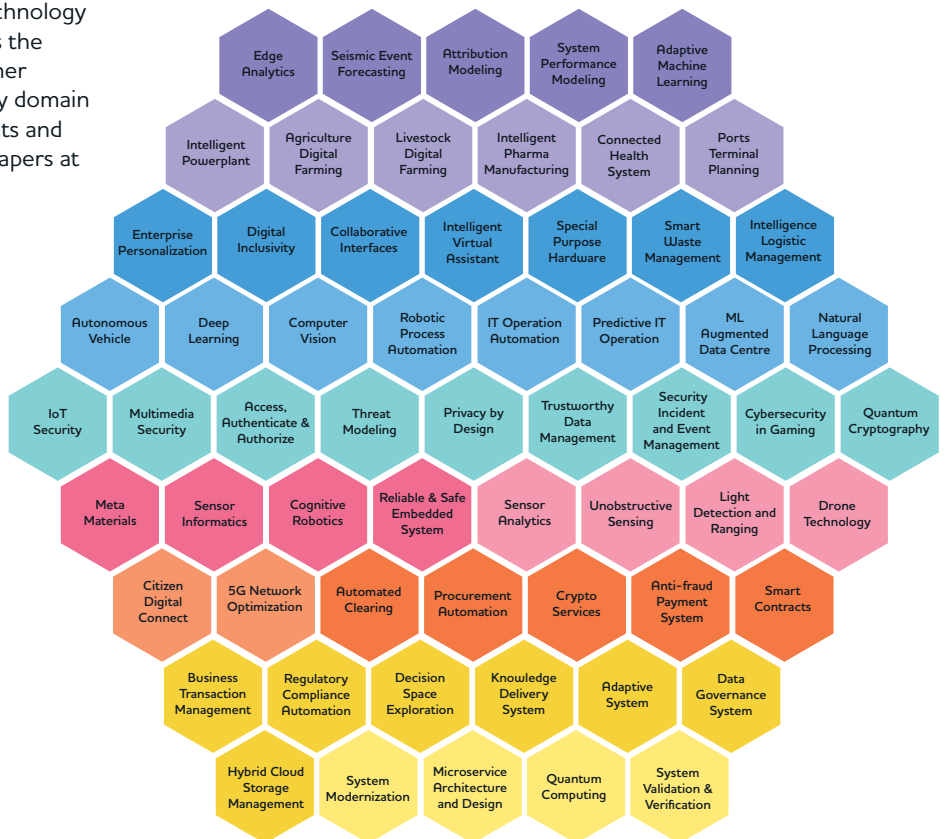
The company's Chief Technology Officer oversees a three-horizon portfolio of investments spanning current innovation, mid-term and long-term research:



TCS Portfolio of Investments for Innovations

TCS R&I is building a rich pipeline of IP based assets consisting of patents, products and platforms. To enable business alignment and to de-risk emerging technology use, TCS' New Products and Services Development framework monitors the pipeline of evolving, future-focused offerings. This has resulted in a further expansion of the IP portfolio across a range of technologies and industry domain processes. As of March 31, 2021, the company has filed for 5,879 patents and has been granted 1,850 patents. TCS researchers presented over 240 papers at premier research conferences and notable journals this year.





TCS' Patent Wall: Breakup by Themes

Broad-basing Innovation

Every key business unit has its own innovation program, led by a unit-level CTO. These units leverage their deep domain expertise, customer-specific contextual knowledge and the research outcomes in emerging technologies from Corporate R&I as well as the TCS Co-Innovation Network to come up with innovative solutions for customers in their respective segments. Examples include:

TCS DynaPORT™: This solution from the Travel, Transportation and Hospitality unit is for seaports and terminal operators. This one-stop digital terminal operating system (TOS) streamlines order-to-invoice processes and supports multi-modal and multi-purpose requirements. It currently powers over 80 terminals across the globe.

TCS Omnistore™: With TCS OmniStore, retailers can orchestrate unified omnichannel customer journeys, build new services and apps quickly without worrying about channel constraints, and ensure their stores are 'always on' to drive unique, interconnected micro-experiences.

TCS Consent Management Solution: This helps organizations automate compliance towards latest privacy regulations while reducing associated costs. It offers a range of capabilities such as consent collection and enforcement, data subject rights, data masking and data discovery.

Innovation Ecosystem

TCS' Co-Innovation (COIN™) ecosystem continues to expand. It now consists of over 2,400 start-ups distributed across innovation hubs all around the world. The global Academic COIN program now has 67 active partnerships with various institutions. New partnerships were forged with KTH Royal Institute of Technology, Sweden, National Institute of Industrial Engineering (NITIE), Mumbai, and IIT Jodhpur, among others.

Customer Engagement

TCS Research and Innovation connects with customers and partners through several channels. TCS Innovation Forum 2020, its flagship event, was reimagined in a format that was optimal for digital channels. Over 3,700 clients and partners attended the series across editions, totaling 4x attendance over the physical event in 2019. A number of Innovation Days, Round Tables and seminars were held for customers around the world.

TCS Pace Ports™ were launched in Amsterdam, Toronto and Pittsburgh. Pace Ports offer access to COIN accelerators, academic research, design thinking and agile workspaces and innovation showcases, enabling faster innovation. This year Pace Ports anchored 75 customer teams virtually.

TCS runs ideathons and hackathons almost every week to build an innovation culture within the organization and offer employees opportunities to innovate within and outside their current assignments. These crowdsource innovative ideas from within TCS and have been very popular with customers. Several customers have run challenges and have been impressed by the number of novel solutions or ideas TCSers have come up with.

Social Good

A number of assistive technologies have emerged from TCS R&I, including Assisto (Speech aid for Cerebral Palsy); VHAB (Immersive Physio); Verbose (Speech-to-text); School at Home assistance for disabled; Emotrain (Training for Autistic) and Home Bound (COVID related remote medical assistance). These were especially useful during the pandemic, where much of the training and support for children with special needs had to be virtual.

TCS' Access Infinity platform that has been powering the Sugamya Pustakalaya portal, won the Zero Project Award this year. Launched by Daisy Forum of India (DFI), a not-for-profit organization with a network of over 100 organisations working for the welfare of the visually impaired, the portal has 674,795 books available for download for the print-disabled community.

Socially responsible initiatives launched include the TCS Sustainathon, Seed.Lab and the Digital Sustainability Index. TCS Sustainathon, in its first edition for Singapore, focused on reducing food wastage. TCS and the Malaysian petroleum major PETRONAS launched a Social Enterprise Education Lab (SEEd.Lab), an end-to-end incubation program for a group of young Malaysian to-be-entrepreneurs and to create employment opportunities for others.

TCS and Auckland Business School Launched an APAC-focused Digital Sustainability Index. The new index will track the adoption and leverage of digital technologies by enterprises for their growth and transformation, and for discharging their social and environmental responsibilities, to create longer term value for all stakeholders.

Other investments in sustainability initiatives like digital farming, the energy value chain, and water and power savings, continue.

The TCS Research Scholar Program is in its 10th year and has supported 350 scholars from 41 premier institutes till date. TCS' researchers mentor young social entrepreneurs solving socially relevant problems at the TCS Foundation's Digital Impact Square (DISQ), Nashik. DISQ entrepreneurs came up with innovative solutions for coping with the pandemic.

TCS Suite of Products and Platforms

TCS BaNCS™

- 19 new wins (50% of the new wins were on TCS BaNCS Cloud) and 25 go lives in FY 2021
- Highlights:
  - Banking: Serves more than 25% of the world population. Two of the world's largest core banking implementations run on TCS BaNCS, processing 1 billion accounts
  - Capital Markets: Performs clearing and settlement in over 20 markets worldwide. Records 10 million trades per day (peak), represents $40 trillion worth of AUC across 100 countries
  - Insurance: Administers over 20 million life, annuity and pension policies; 135 million property and casualty policies
  - Global Securities: It offers ready market connectivity to 45+local markets for settlements, with 8 of the top custodians running on the solution

TCS iON

- Digital Glass room: Virtual learning platform, made available to educational institutions across the country shut down by lockdown, free of cost. Garnered registrations from 37,000 institutions. Remote internships for students across trending domains guided by industry mentors, helped 2.6k college students
- Assessment: 273 million+ candidates assessed till date; 10.5 million+ answer books evaluated, 900,000 registrations for TCS NQT in FY 2021. Remote assessments served 28 million+ candidates. Socially distanced assessments for in-center exams across 700+ cities through zero-touch biometric, crowd management, process digitization, which lead to 20 million+ youth securing their future in academic admission / job recruitment.
- Learning: 12 million+ learners on the platform, 71,000 courses available, 490,000+ communities
- Process Management: 700+ SMB clients, 145+ education ERP clients
- 300+ new wins in India and 7 in International market
- Strategic partnerships in India with bodies like National Skill Development Corporates (NSDC) and the state governments of Kerala and Telangana towards skills development

ignio

- World leading cognitive automation software for IT and business operations. FY 2021 highlights:
- 50+ new wins; 180% YoY growth in channel partners
- Manages over 1.5 million technology resources autonomously
- 84 patents filed to date; 30 granted

TCS ADD

- Comprehensive suite for digital transformation of drug development and clinical trials
- Executed 500 trials on ADD
- Customers: 9 out of the top 10 pharma companies
- Key implementations: Redesigned operational analytics for top 3 pharma, implemented advanced submission planning for a pharma major's regulatory submission; rolled out cognitive automation of pharmacovigilance for 62 studies ; 12k+ shipments completed ; 10k+ kits dispensed ; 90%+ adherence rate on Decentralized Trials solution; implemented eConsent for 11 studies
- Set up COVID study on ADD in less than 10 days for a leading Asia- based pharma major

TCS HOBS™

- Plug and play SaaS based business platform to digitally transform business, network and revenue management domains of subscription-based businesses
- Prevented revenue leakage of over $100 million and has delivered cost savings of over $25 million for customers globally in FY 2021.
- Serving 33+ clients, across Communications, Utilities, Manufacturing and Personal Care; Serving 22 million+ subscribers, handling 145,000+ devices and processing 1.2 billion+ events.
- 13 new wins and go-lives in FY 2021

TCS Twinx™

- AI powered system of actionable intelligence – powered by an enterprise digital twin (customer, product, process) to help business leaders simulate and optimise enterprise decisions, predict and proactively manage outcomes
- 7 new wins and 3 go-lives in FY 2021

jile

- SaaS-based, scalable Agile DevOps platform to accelerate software development and delivery and integrate DevOps tools
- 14,000+ active users till date

TCS Optumera™

- AI-powered retail optimization suite that enables retailers to improve sales and margins with integrated merchandising and supply chain decisions.
- 1 new win and 2 go-lives in FY 2021

TCS OmniStore™

- AI-powered future commerce platform that enables unified customer journeys by seamlessly catering to new channels and brand expansions.
- 1 new win and 4 go-lives in FY 2021

TCS MasterCraft™

- Digital platform to optimally automate and manage IT processes
- FY 2021 Highlights: 25 new wins, 96 billion+ records processed for data privacy, 5 billion+ records processed for data quality, 57+ million lines of code (mloc) analyzed, 5+ mloc generated

tcs QUARTZ™

- Intelligent smart contract development toolkits, Integration solutions and 'Designed for DLT' business solutions that provides foundational technology, tools and business components for creating distributed ledger solutions across varied industries
- Built on the core principles of Coexistence, Integration and Interoperability, Quartz enables existing systems to coexist and integrate with blockchain platforms and other messaging networks
- 10 new wins and 2 go-lives in FY 2021

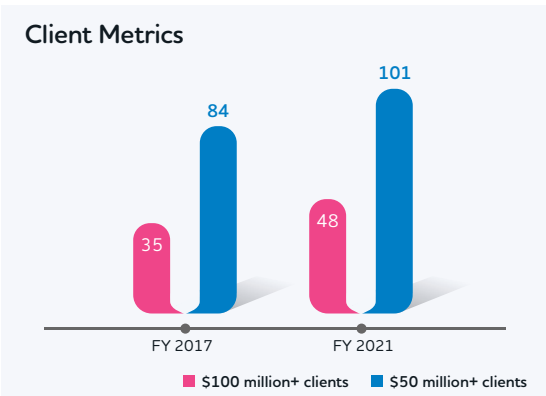
Awards and Accolades for Intellectual Capital

- Awarded the Best Patents Portfolio in the Large Enterprises (Information and Communications Technology and Services) category at the Confederation of Indian Industry (CII) Industrial Intellectual Property Awards 2020.
- Won the CIO Magazine Innovation Award jointly with Damen Shipyards, in the 'Most Innovative B2B Project or Program' category, for Triton, Damen's connected vessel platform, designed and built by TCS.
- Won the Business Culture Award in the category Best Use of Innovation for Business Culture, for building a culture of innovation that welcomes new ideas from across the organization, resulting in an industry-leading portfolio of intellectual property.
- Highly Commended in the category Best Enterprise AI Solution at The AIconics Awards, TCS Optumera™, an AI-powered retail optimization suite, helps retailers make data-driven decisions around right-sizing store space, shopper-centric omni-channel assortments, dynamic pricing strategies and compliance. It also won the 2021 Data Breakthrough Award in the category Data Solution of the Year – Retail for empowering retailers to execute integrated strategic decisions.
- Won the 2021 CIO 100 Award for its Intelligent Urban Exchange (IUX) for Workplace Resilience software.
- Won the 2021 IoT Breakthrough Award in the category Enterprise IoT Management Innovation for its Intelligent Urban Exchange (IUX) for Workplace Resilience software.
- Honored with the CIO Choice 2021 award in the category Digital Transformation Enabler for its investments in research and innovation, strong domain knowledge across industries, rigor in service delivery, and comprehensive portfolio of services and platform solutions including IT and advisory services, and digital workplace.
- Conferred the CIO100 Special Award for Business Transformers, IDG India's annual award program that recognizes and honors organizations and their CIOs, for its digital transformation initiatives, including its SBWS operating model, its digital talent platform, and AI-led solution for timely financial book closure.
- Digitate, a software venture of TCS, was ranked #37 among the Top 100 Software Companies of 2020 by The Software Report, recognized for the rapid growth and market leadership of its ignio suite within five years of launch.
- Named the POS Technology of the Year at the Retail Systems Awards 2020, TCS OmniStore™, a flagship product of the TCS Algo Retail™ suite, was recognized for its open architecture and fluid technology stack that allows enterprises to quickly build new journeys, services, and apps without worrying about channel constraints; all this with the flexibility of reusing existing investments. TCS OmniStore™ also won the ICXA Award for Excellence in Omnichannel Interactive Customer Experience, for using interactive technologies to create transcendent brand experiences across channels.
- TCS Connected Clinical Trials solution, part of TCS ADD platform, won the 2020 Citeline Award in the category 'Best Patient-facing Technology Initiative' for providing a positive experience to patients in clinical trials and driving efficiency.

FY 2021 PERFORMANCE OVERVIEW: RELATIONSHIP CAPITAL

Customers

Customer-centricity is at the core of TCS' business model, organization structure and investment decisions. The philosophy has been to delight them by delivering superior outcomes, and build strong, enduring relationships. Additionally, the company seeks to expand and deepen customer engagements by continually looking for new areas in the customer's business where the company can add value, proactively invest in building newer capabilities, and launch new services and solutions to participate in those opportunities.



Over time, this has resulted in an expanding participation in the departmental spends of a broad range of stakeholders across the enterprise, including business heads, CMOs, CROs, COOs, CFOs and even CEOs. It has also resulted in a continual expansion of customer relationships in terms of the services consumed, revenue and share of wallet, as evidenced by the movement in the large client metrics over the last 5 years.

TCS was ranked #1 in Customer Satisfaction across Europe for the eighth consecutive year in a large, independent survey of 1700 CxOs of top IT spending organizations by Whitelane Research. Additionally, in the individual country rankings, TCS was ranked #1 by customers in UK, France, Germany, Austria, Switzerland Netherlands, Belgium, Luxembourg and the Nordics.

Suppliers[21]

TCS' Sustainable Supply Chain policy and Green Procurement policy outline its commitment to making its supply chain more responsible and sustainable. In FY 2021, the company integrated sustainability, safety and environmental requirements in its online vendor management system across the various stages of vendor lifecycle – selection, review and renewal.

Supplier engagement includes defining product specifications on safety/environment, vendor compliance review, outlining mandatory policy and process requirements, desktop assessments, audits and performance review on these criteria. TCS' responsible sourcing program encourages its suppliers to go beyond 100% regulatory compliance, and strive for better sustainability performance.

Investors

TCS is seen as a benchmark in transparency and disclosures, publicly communicating its longer-term strategy, qualitative aspects of the demand outlook, risks and opportunities. The company has a robust investor outreach program through which it engages with a broad range of investors domestically and overseas. These efforts towards removing information asymmetries and helping investors arrive at a fair valuation of the company's stock have resulted in TCS topping various regional investor polls conducted by publications such as Institutional Investor, FinanceAsia and AsiaMoney.

In FY 2021, TCS was quick to embrace virtual meetings for its investor outreach, including meetings, virtual NDRs and conferences. TCS was also the first corporate in India to hold a virtual Annual General Meeting last year.

[21] 308-1

The following table provides the number of investor and analyst interactions by category in FY 2021:

Particulars	Q1	Q2	Q3	Q4	FY 2021
Meetings and Calls	59	29	38	95	**221**
Conferences	47	207	111	62	**427**
Sell Side Analysts	8	8	27	5	**48**
Total	**114**	**244**	**176**	**162**	**696**

Quarterly, half-yearly, and annual results are intimated to the stock exchanges, published in leading Indian newspapers, emailed to analysts and investors who subscribe to the service, and posted on the website. Half-yearly results are mailed to shareholders, along with a message from the MD on the Company's performance.

The quarterly earnings release is accompanied by a press conference, which is streamed live on www.tcs.com, and an earnings call that is webcast on the website. Material developments during the quarter that might impact revenue or earnings are intimated to the stock exchanges and through the website. Quarterly results, regulatory filings, transcripts of earnings call, Investor Relations presentations and schedules of analyst and investor interactions are available at https://www.tcs.com/investor-relations

Brand Building

TCS' marketing organization aims to elevate the relevance and vitality of the TCS brand, articulate and drive its purpose, deploy cutting-edge marketing technologies to enhance its targeting and amplification capabilities, enable sales, and promote sustainable practices. In FY 2021, TCS' marketing organization quickly pivoted to meet the accelerated digital push during the pandemic and strengthened its growth and transformation positioning. Key highlights of the year are:

Full Pivot to Digital

- **Rapid shift to digital events** – Innovation Forums, industry events, client workshops, virtual client visits; 500+ events, 20,000 participants, 2,900 client and prospect accounts engaged
- **Digitally enabled customer engagement** – Full deployment of digital marketing for sales enablement, including 500+ campaigns in account-based marketing and 50,000 customer touch points
- **Enabled global marathons go virtual** – Virtual running apps, digital and physical running experiences created

Breaking out

- **Leading the narrative with thought leadership** – New Beginning, Vision 25X25, Secure Borderless Workspaces™, Business 4.0™
- **Launched the 'Transforming India' campaign** – Integrated campaign across digital and television with 1,700 spots; reached 1.6 million high affinity TV audiences; 111 million impressions garnered across digital platforms; over 1 million website clicks generated
- **Global Media Engagement** – Leading the conversation during the pandemic, positioning TCS as a thought leader in technology transformation. This resulted in a greater share of voice with over 50,000 mentions and 4,000 unique stories.
- **Social Media success** – The company used social media channels effectively to amplify its narratives. Its stakeholder engagement resulted in garnering over 5 million followers on LinkedIn, and 100 million organic impressions.

Driving Associate Engagement and Connect

- **Launched the #OneTCS platform:** A medium to drive employee engagement, connection and motivation. An enterprise-wide, arts-driven talent hunt was launched; interviews and online interaction with celebrity sportspersons, lifestyle

gurus to keep the #OneTCS platform vibrant for employees. There were 6.5 million unique engagements on this platform.

- **Townhalls, events, consistent multi-channel communication:** These included celebrating milestones such as achieving the goal of Enterprise Agile by 2020, and 10,000 Contextual Masters
- **Pandemic communication with clarity to inform and connect:** Welfare programs, COVID-19 response initiatives, structured employee well-being program via TCS Cares
- **Unique usage of external channels to drive employee engagement**

Brand launch

TCS adopted a new brand statement, Building on Belief, to convey how its partnership with customers goes beyond technology deployment. It helps them make a meaningful difference, translating their aspiration into reality. The new statement conveys how TCS builds on their ambition and optimism to transform their business for the better, the impact of which is felt by their customers and the communities they serve. It also reflects TCS' own belief that it, along with its customers, can harness collective knowledge to innovate in ways that result in better futures for individuals, communities and the planet.

Details of TCS' new brand articulation and purpose can be found here: https://www.tcs.com/buildingonbelief.

Refer to the Panel Discussion on Building on Belief (Page 24), featuring N G Subramaniam, Chief Operating Officer, K Ananth Krishnan, Chief Technology Officer and Krishnan Ramanujam, President – Business and Technology Services

Brand Value

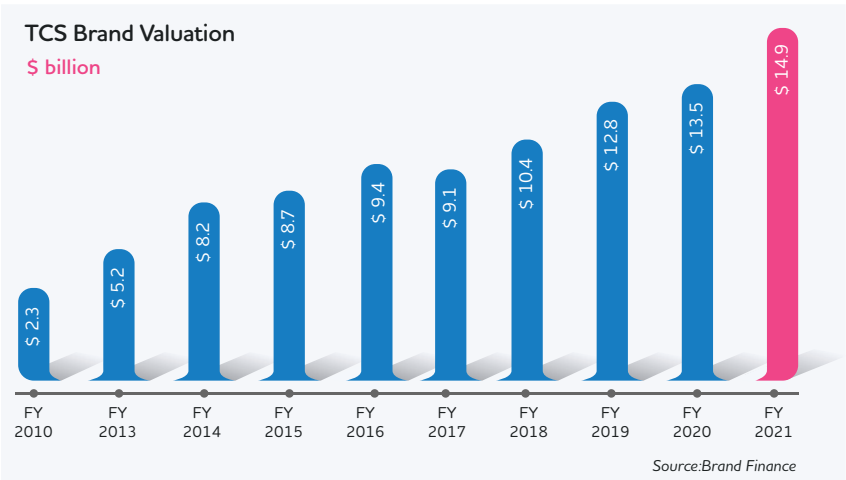
TCS' reputation for customer-centricity, domain depth and execution excellence have made it the preferred growth and transformation partner to leading corporations across the world. It is also recognized as a top employer brand across the major markets it operates in, including North America, Europe, UK, India, Latin America and Australia, among others.



Its purpose-driven community outreach and corporate social responsibility initiatives across the world have earned it local recognition and goodwill. The company's high standing in the investor community is evidenced by the top ranking it has been consistently receiving in surveys across Asia.

The cumulative effect of all the goodwill and recognition from these different stakeholders, and concerted efforts by the company's marketing organization have helped put TCS among the Top 3 brands in IT Services by brand value.

According to Brand Finance, TCS' brand value grew by $1.4 billion in FY 2021 , the highest absolute growth among the 25 companies assessed, that too in a challenging year when the brand value of IT services companies collectively dropped by 3 percent. Further, at 10 percent growth over the prior year, TCS has outperformed its other two peers among the Top 3 brands in IT services.



Source:Brand Finance

Awards and Accolades for Relationship Capital

Partners

- Won the 2020 SAP® Pinnacle Award in the category Integrated Delivery Partner of the Year, in recognition of its outstanding contributions as an SAP partner, dedication to teamwork, innovative approach and capacity to challenge what is possible, in helping customers achieve their goals.
- Named the Global System Integrator of the Year 2020 by HPE in recognition of its outstanding performance, commitment to customer excellence, focus on growth, innovation, and professional achievements.
- Won 2020 Pega Partner Award for Excellence in Growth and Delivery for leveraging Pega technologies to drive successful digital transformation programs for joint clients in the insurance, manufacturing and telecommunications industries.
- Awarded the 2020 Canada IMPACT Award for Datacenter Migration by Microsoft Corporation for driving strong business outcomes for its customers, including enhanced security, increased agility, more resiliency, strong TCO benefits and improved governance through both repeatable solutions and transformational wins.
- Recognized by Amazon Web Services (AWS) as the 2020 AWS Migration Success Partner of the Year in India, for TCS' commitment to excellence in helping customers successfully migrate and manage their core applications on the cloud.
- Recognized as a Solution Plus Partner by Intel's Winners' Circle Program, for contributions to the acceleration of #5G and virtual network transformation.

- Won the 2020 Salesforce Partner Innovation Award in the Media Industry category for helping Equifax UK deliver enhanced customer experiences,

Brand

- Ranked among the Top 3 brands in IT services by Brand Finance; TCS clocked the highest absolute brand value growth in the sector in 2020 and was named the fastest growing brand in the industry over the last decade (2010-2020).

- Named a Superbrand in the US and in the UK, on the strength of its brand reputation, business performance, industry-leading job creation, scale of employee training and development, and commitment to corporate social responsibility initiatives.

- Ranked among the Top 100 US brands, across all industries, by Brand Finance for the sixth year in a row. TCS was ranked #59, up two places from last year.

- Won 2 Stevies at the 2020 American Business Awards®, for the 2019 TCS New York City Marathon app. TCS received a Gold Stevie® in the category Mobile Marketing Campaign of the Year and a Silver Stevie in the category Best User Experience.

- Ranked at second place for the Analyst Relations Team of The Year award by the Institute of Industry Analyst Relations, based on their poll of over 100 top industry analysts.

- Listed among the Top 10 in five categories – Customer Favourite, Best AR Team, Biggest Improver, Analyst Advocacy Award and Overall Champion, in a survey covering over 300 analysts globally, by The Analyst Observatory at the University of Edinburgh Business School. Notably, this is an unaided measure of analyst mindshare of the larger universe of software vendors, technology providers, hyperscalers, telecom companies and system integrators.

- Won the 2020 Gartner Communications Award in the category 'Excellence in Building a Corporate Brand' for its multi-phased communication strategy, centered around its Business 4.0™ thought-leadership framework.

- TCS Transforming India campaign has won the Best Integrated Campaign Award - Gold at the Exchange4Media - India PR and Corporate Communications Conference 2020,

FY 2021 PERFORMANCE OVERVIEW: MANUFACTURED CAPITAL







Top: Open Agile collaborative workspaces to support all stages of the innovation lifecycle
Bottom: Covid Health centres created at TCS' campuses in 11 cities

With SBWS, TCS enabled most of its workforce to be fully productive while working remotely. Through out FY 2021, less than 4% of the workforce worked out of its facilities, mostly confined to very sensitive projects and activities such as R&D which necessarily require specialized equipment and controlled environments. To create a safe workplace for them, TCS deployed its IUX for Workplace Resilience solution which combines risk analytics with key business relaunch functions, including workforce safety, regulatory compliance, operational resilience, and customer engagement.

Its business command dashboard enables site administrators to monitor the daily risk profile and risk prediction for over 180,000 TCSers in India on a rolling seven, 14- and 21-day basis, easing workforce deployment planning. Based on the daily risk scores, site administrators could decide which of the employees could be safely allowed to return to work, if required.

Additionally, to ease the pressure on strained local medical infrastructure and help TCSers and their families safely quarantine themselves in the event of testing positive to the virus, TCS built 11 Covid Health Centers across various cities at its campuses, with a cumulative capacity of 240 beds.

Looking ahead, TCS' Vision 25x25 envisages a very different role for the office, to serve as physical hubs for collaboration, innovation and team building, while routine work can get done from anywhere. Towards this, the company has already built Incubation Development Centers at some of its locations, which will be further refined to align with business requirements. These locations are going to be Open Agile Collaborative Workspaces with Software Defined Network rolled out in a phased manner. This will give the teams mobility, flexibility and seamless collaboration environments for their business functions. TCS is also planning to consolidate old leased, non-agile and smaller vintage facilities to new owned campuses, optimizing its operational expenses.

FY 2021 PERFORMANCE OVERVIEW: FINANCIAL CAPITAL[22]

The discussions in this section relate to the consolidated, Rupee-denominated financial results pertaining to the year that ended March 31, 2021. The financial statements of Tata Consultancy Services Limited and its subsidiaries (collectively referred to as 'TCS' or 'the Company' are prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.

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

₹ crore

	FY 2021 Adjusted*			FY 2021 Reported		FY 2020	
	Revenue	% of Revenue	% Growth	Revenue	% of Revenue	Revenue	% of Revenue
Revenue from operations	164,177	100.0	4.6	164,177	100.0	156,949	100.0
Earnings before interest, tax, depreciation and amortization (EBIDTA) (before other income)	46,546	28.4	10.5	45,328	27.6	42,109	26.8
Profit Before Tax (PBT)	44,978	27.4	6.5	43,760	26.7	42,248	26.9
Profit after tax attributable to shareholders of the Company	33,388	20.3	3.2	32,430	19.8	32,340	20.6
Earnings per share (in ₹)	89.27		3.6	86.71		86.19	

* Excluding provision towards legal claim

Analysis of revenue growth

On a reported basis, TCS' revenue grew 4.6% in FY 2021, compared to 7.2% in the prior year, due to the sharp revenue reduction in the first quarter across industry segments from the pandemic impact.

Average currency exchange rates during FY 2021 for the three major currencies are given below:

Currency	Weightage (%)	FY 2021 ₹	FY 2020 ₹	% Change YoY
USD	52.0	74.06	71.23	4.0
GBP	13.5	97.32	90.15	8.0
EUR	12.0	86.69	78.94	9.8

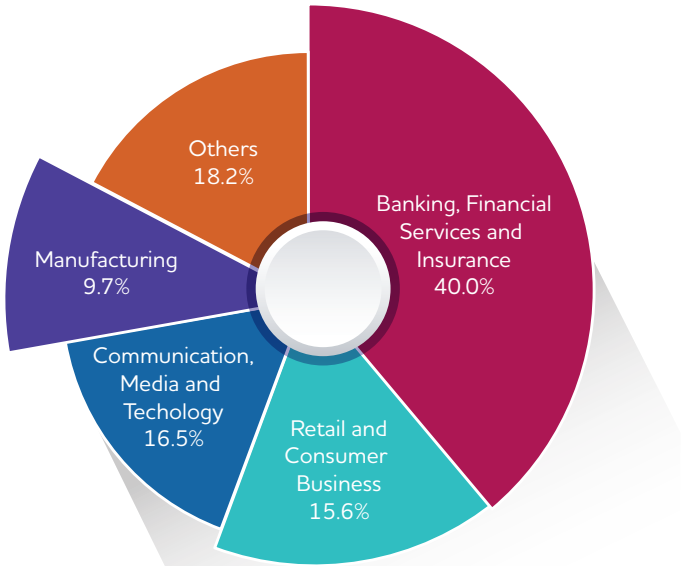
Movements in currency exchange rates through the year resulted in a positive impact of 5.4% on the reported revenue. The constant currency revenue growth for the year, which is the reported revenue growth stripped of the currency impact, was (0.8)%.

Growth attributable to	FY 2021 (%)	FY 2020 (%)
Business growth	(0.8)	7.1
Impact of Exchange rate	5.4	0.1
Total Growth	**4.6**	**7.2**

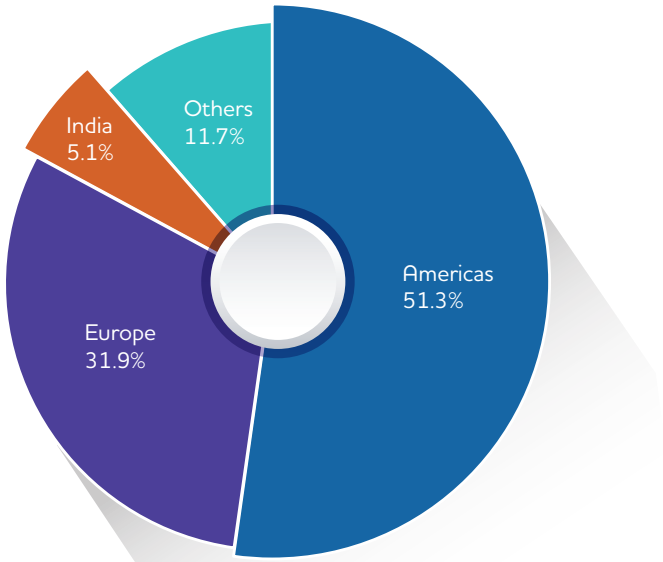
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Segmental Performance

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



Revenue by Industry Vertical



Revenue by Geography

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

Industry Vertical	Segment Revenue FY 2021 *(FY 2020)* ₹ crore	YoY Revenue Growth %	Commentary	Segment Margin FY 2021 *(FY 2020)* %
Banking, Financial Services and Insurance	65,634 *(61,095)*	7.4	• Key investment themes included customer experience transformation; future readiness through core transformation including platform simplification and modernization and cloud adoption; optimization of back office operations. • Other key areas of spend included adoption of payments, robo-advisory systems and crypto-custody solutions • Market reform such as CAT, LIBOR Transition, SFTR, BREXIT also drove significant spend especially around the use of predictive analytics, AI, NLP and automation.	28.5 *(27.7)*
Communication, Media and Technology	27,077 *(25,978)*	4.2	• Parts of the Media sub-vertical, related to live sports, events, entertainment and radio were affected by the pandemic. • Key investment themes included 5G and fiber rollout, network virtualization, operating model transformation, product and platform engineering, business simplification, data and analytics and cloud enablement. • M&A and business separation activities was another key driver of spend.	29.6 *(29.7)*
Retail and Consumer Business	25,589 *(26,280)*	(2.6)	• Retail and CPG – Discretionary retail and some parts of CPG were impacted by the pandemic. Spending was driven by transformation in Demand Planning, Forecasting and Replenishment to ensure continuous availability of high demand essential items; unified customer experience across channels, contactless pick-up / payment, curbside pickups etc; D2C and e-commerce initiatives in CPG. • Travel, Transportation & Hospitality – The sector was badly impacted by pandemic restrictions. Key investment themes include contactless operations and self-service, operating model changes, and simplification.	27.9 *(26.1)*

Industry Vertical	Segment Revenue FY 2021 *(FY 2020)* ₹ crore	YoY Revenue Growth %	Commentary	Segment Margin FY 2021 *(FY 2020)* %
Manufacturing	15,950 (*16,468*)	(3.1)	• Large parts of the manufacturing sector were impacted badly by the plant closures and supply chain disruptions. This resulted in postponements in capex and discretionary programs. • Key spending themes included IT infrastructure and movement to the cloud, Plant safety and industrial applications such as remote asset management, IT security, Supply chain resilience, in-vehicle software, connected products. • In the Utilities sub-vertical, key areas of spend included geospatial systems, customer service, and operational resilience and optimization.	28.1 (*27.0*)
Others	29,927 (*27,128*)	10.3	• Growth in the Life Sciences segment was led by pandemic related initiatives such as adverse event processing for the vaccine, M&A synergies through IT integration, digital marketing and analytics, IT operating model transformation, cloud enablement, workplace modernization and cybersecurity. • Key areas of spend across other verticals included M&A, cloud adoption, cyber security, operations optimization and vendor consolidation	27.5 (*22.6*)

Business Outlook

Global economic growth is projected to grow at 6 percent[23] in 2021 after an estimated contraction of 3.3 percent in 2020. While there is still uncertainty on the path of the health crisis, with likelihood of third or fourth waves, and the emergence of new strains of the virus, overall business outlook across industries appears to be positive in all of TCS' major markets. This is expected to result in an expansion in enterprise spending on IT services globally, following a decline in 2020.

TCS anticipates increased investments by customers in growth and transformation initiatives that deepen customer engagement, enable competitive differentiation, improve supply chain resilience and drive revenue growth. Common investment themes that are expected to accelerate across all industry verticals in FY 2022 are: data-driven customer journey transformations spanning front-, middle- and back-office processes and systems to enable enhanced and personalized customer experiences; digital enablers for direct distribution and end-customer engagement; seamless, personalized omnichannel experiences in consumer-facing industries; product and business model innovations; and adoption of open APIs to enable purpose-driven ecosystems.

Increased activity around mergers, acquisitions and divestitures are expected to drive more opportunities around integration and transitional services. Other industry-specific themes such as regulatory compliance in the banking and financial services domains, supply chain transformation in manufacturing, and connected vehicles in the auto sector are also expected to drive growth. TCS also expects increasing focus on longer term sustainability initiatives across industries, focused on leveraging technology to reduce emissions, wastes and resource consumption.

Core transformation initiatives designed to build a scalable, adaptive, future-ready digital core are also expected to accelerate in FY 2022. TCS anticipates increased spending on business operations transformation using TCS Cognix™; legacy system transformation including application architecture and data modernization; cloud adoption; intelligent automation; cyber-security; IT operating model transformation using a Machine First approach for leaner and more agile operations; and digital workplace transformation for enhanced user experience and superior collaboration. The need for optimization and for freeing up resources for high priority transformation initiatives is also expected to result in more outsourcing engagements and vendor consolidation, helping drive market share gains.

Enterprise Risk Management

The COVID-19 pandemic continues to challenge businesses in every possible way and has amplified existing risks. Operating in an uncertain and ever-changing environment, TCS' global operations bring in considerable complexities and its robust enterprise risk management framework aids in ensuring the strategic objectives are achieved. This framework is supported by processes for risk identification, risk assessment, risk response planning and actions, risk monitoring and overall risk governance. The digital platform for integrated risk management provides an enterprise-wide view of risks covering strategic, operational, compliance, financial and catastrophic risks, providing a holistic approach towards informed decision making. Risks are assessed and managed at various levels with a top-down and bottom-up approach covering the enterprise, the business units, the geographies, the functions, the customer relationships and projects.

[23] World Economic Outlook, April 2021, International Monetary Fund

Listed below are some of the key risks, anticipated impact on the Company and mitigation strategies.

Key Risks	Impact on the Company	Mitigation
Disruption and Uncertainty in Business due to the COVID-19 pandemic	**Customers:** The COVID-19 pandemic extending into the second year has resulted in changes in consumer behaviors, impacting demand in various industries, hurting small businesses and necessitating large fiscal interventions. Tapering off of these interventions, or the emergence of new variants which trigger new lockdowns and other restrictions could disrupt the return to normalcy and impact customers' short-term priorities, growth plans and discretionary budgets. It could also result in restructuring of some contracts, deferment, cancellation of some planned engagements besides other tactical steps such as vendor rationalization, or insourcing of work to captives, impacting the company's revenue growth. **Mobility:** Due to new strains of COVID-19 and increasing trend in infection cases globally, business disruptions due to intermittent lockdowns, international travel restrictions are likely, impacting the mobility of the company's workforce required to travel for work purposes, which in turn may impact service delivery and revenues. **Workforce:** The continuing pandemic may affect not only the health of affected employees, but also their emotional and mental wellbeing, due to physical isolation for a long period. If large numbers of employees are affected, it could result in business disruption and necessitate higher spends for ensuring business resiliency. There could be hesitation to come back to office in the near future from employees who have been working remotely from their hometowns. This may impact employee morale and satisfaction leading to the risk of higher attrition.	• COVID-19 Emergency Response Apex committee at Enterprise level to drive a holistic action plan and coordinate global efforts, based on frequent risk assessments. • Secure Borderless WorkSpaces (SBWS™) infrastructure enabling associates to work from home and ensure business continuity. Digital communication channels and collaboration platforms set up for them to stay connected with colleagues and customers. • Regular communication with customers about measures taken to maintain business services and reporting of their operations status. • Pursuing new and re-purposed offerings and solutions during and post the COVID-19 disruption. • Regular coordination with key suppliers for expeditious provisioning of assets critical for business services • 24*7 dedicated helpline for associates to address COVID-19 related help, queries and for emotional support. Regular webinars, interactive sessions, counseling services (TCS Cares), medical hotline to doctors and fitness sessions for associates. Isolation Centers setup in 11 TCS Offices. • Periodic advisories to associates towards ensuring health and safety. • SOP for operating TCS Offices including implementing Safe Operating Zones for associates required to work from office, thermal screening, self-declaration, frequent sanitization of premises, social distancing layout etc. AI-based Workplace resilience tool implemented in Delivery Centers to aid in risk profiling and contact tracing. • Rigorous review and execution of Business Continuity and Crisis Management capability which is benchmarked with ISO 22301 certification. • Remote working practices for managers and employees integrated into the Location Independent Agile delivery method, to ensure effectiveness and productivity.

Key Risks	Impact on the Company	Mitigation
	However, the company's relative competitiveness is expected to increase because of its traditional value focus and its strong track record in helping customers improve the efficiency and resilience of their business and IT operations through digital transformation initiatives and the Machine First Delivery Model™.	• Regular connect with Government and Health service providers to facilitate planning for logistics and arrangements for vaccination of employees as required. • Encouraging associates to get vaccinated, including facilitation and reimbursement. • Monitoring changes in regulations related to the impact due to pandemic and align internal policies accordingly.
Volatile global political and economic scenario	The Company derives a material portion of its revenues from customers' discretionary spending which is linked to their business outlook. Political disruptions or volatile economic conditions due to geo-political tensions, trade wars, and uncertainty regarding post-Brexit impacts on different business sectors may adversely affect that outlook resulting in reduced spending which could restrict revenue growth opportunities.	• Broad-based business mix, well diversified across geographies and industry verticals. • Offerings and value propositions targeting all stakeholders (in addition to the CIO) in the customer organization, covering discretionary as well as non-discretionary spends, and relevant at every point in the business cycle. • Participating in the customer's growth and transformation initiatives through services and offerings including advisory services, migration and modernization of applications and workplace transformation using location independent agile, deep contextual knowledge and data-driven analytics and dashboards. • Proactively investing in infrastructure and resourcing to satisfy anticipated customer demand for flexible products-and-platforms based solution offerings and subscription-based services to gain market share and new clients and markets. • More long-term contracting models. • Leveraging business ecosystem through collaboration with partners, startups and alliances to participate in transformation initiatives of customers.
Restrictions on global mobility, location strategies	Distributed software development models require the free movement of people across countries and any restrictions in key markets pose a threat to the global mobility of skilled professionals. Restrictions on mobility due to the pandemic, or due to legislations which limit the availability of work visas or which apply onerous eligibility criteria or costs could lead to project delays and increased costs.	• Ongoing monitoring of the global environment, working with advisors, partners and governments. • Material reduction in dependency on work visas through increased hiring of local talent including freshers, use of contractors, local mobility and training in all major markets. • Leveraging the SBWS™ model to source talent from anywhere and deliver from anywhere. Use of Location Independent Agile to promote systematic collaboration and reduce the need for co-location.

Key Risks	Impact on the Company	Mitigation
		• Active engagement in Science, Technology, Engineering and Math (STEM) initiatives designed to structurally increase the availability of engineering talent in major markets. • Greater brand visibility through event sponsorships, community outreach, showcasing of investments, innovation capabilities and employment generation. • Increased outreach to government stakeholders, trade bodies, think tanks and research institutes.
Business model challenges	Rapidly evolving technologies are changing technology consumption patterns, creating new classes of buyers within the enterprise, giving rise to entirely new business models and therefore new kinds of competitors. The COVID-19 pandemic has resulted in a major acceleration of technology investments by customers to make themselves future-proof and also to power the revival of their business. This investment shift is targeted to deliver superior customer experience or improve their employee engagement or improve their operational resilience. There is a major shift towards public cloud adoption and cloud-based transformation initiatives as well as digitalization of legacy applications. This is resulting in increased demands on the Company's agility to keep pace with the rapidly changing customer expectations. Failure to cope may result in loss of market share and impact business growth. There is also increased focus on vendor consolidation and corporate restructuring and mergers and acquisitions in some customer industries.	• Investments in building scale and differentiated capabilities on emerging technologies through large scale reskilling, external hiring, research and innovation, solution development and IP asset creation leveraging deep contextual knowledge across customer specific domain, technologies and processes. • Establishment of focused business service units providing end-to-end transformational and operational solutions on leading cloud technology platforms spanning advisory, migration and modernization and support of applications. • Staying relevant to customers by constantly launching new service practices and technology solutions including a new AI-Powered business command solution to help firms assess risk profiles and protect employees returning to offices and modernizing existing offerings and solutions. • Developing capabilities in organization divestiture and integration planning to cater to Merger and Acquisition induced demand for advisory and business consolidation related services. • Thought leadership by propagating the Business 4.0 framework leveraging the Machine First Delivery Model (MFDM™). Developing industry-specific best practices and AI-led Products to enable customers derive greater business value and discover opportunities to transform and grow their businesses. • Implementing Location Independent Agile methods to mitigate location constraints and pricing and margin pressures. • Constant scouring of the technology landscape through alliance partnerships, and strong connections in academia and the start-up ecosystem to spot new trends and technologies and launch offerings around them.

Key Risks	Impact on the Company	Mitigation
Litigation risks	Given the scale and geographic spread of the Company's operations, litigation risks can arise from commercial disputes, perceived violation of intellectual property rights and employment related matters. Its rising profile and scale also make TCS a target to litigations without any legal merit. This risk is inherent to doing business across the various countries and commensurate with risk faced by other players similarly placed in the industry. In addition to incurring legal costs and distracting management, litigations garner negative media attention and pose reputation risk. Adverse rulings can result in substantive damages.	• Strengthening internal processes and controls to adequately ensure compliance with contractual obligations, information security and protection of intellectual property. • Improved governance and controls over immigration process / increasing localization and sensitization of business managers. • Potential disputes are promptly brought to the attention of management and dealt with appropriately. • Team of in-house counsels, backed by tie-ups with a network of highly reputed global law firms in all the major markets. • Robust mechanism to track and respond to notices as well as defend the Company's position in all claims and litigation.
Currency volatility	Volatility in currency exchange movements results in transaction and translation exposure. TCS' functional currency is the Indian Rupee. Appreciation of the Rupee against any major currency could impact the reported revenue in Rupee terms, the profitability and also result in collection losses.	• Following a currency hedging policy that is aligned with market best practices, to limit impact of exchange volatility on receivables, forecasted revenue and other current assets and liabilities • Hedging strategies are decided and monitored by the Risk Management Committee of the Board convened on a regular basis.
Breach of data protection laws	Data Privacy and protection of personal data is an area of increasing concern globally. Legislations like GDPR in Europe carry severe consequences for non-compliance or breach. Many other countries have enacted or are enacting their Data Privacy regulations to ensure protection of personal data. Violation of data protection laws or security breaches can result in substantive liabilities, fines or penalties and reputational impact.	• Global privacy policy in place covering all applicable geographies and areas of operations, which sets out the privacy principles within TCS. • Global privacy policy in place to oversee and deploy data privacy obligations and support initiatives across the enterprise. DPOs (Data Protection Officers) have been appointed for TCS entities as required by local privacy regulations. Privacy leads have been appointed in all units. • Embedding privacy by design and privacy by default principles in development of new or changed internal processes or services or products. Robust and continued governance of personal data. • Data protection controls and robust risk response mechanisms to cater to protection of personal data in the TCS ecosystem as well as protection of such data in Client-managed networks in Global Delivery Centers.

Key Risks	Impact on the Company	Mitigation
		• Industry standard data masking technologies to protect personal data in sensitive customer engagements, as applicable. • Review and sign-off of Data Processing Agreement (DPA) with Vendors and Third parties and their tracking for privacy compliance, where required. • Mandatory online training and other workshops on data privacy and protection and on GDPR. Awareness campaigns through blog posts, email broadcasts, gamification, roadshows and online events. • Implementing and maintaining data transfer agreements, where required for the transfer of data across jurisdictions. • Periodic reviews and audits by independent audit firm to verify compliance to obligations.
Cyber Attacks	Risks of cyber-attacks are forever a threat on account of the fast-evolving nature of the threat. There is also an increased risk due to various pandemic themed cyber threats. In addition to impact on business operations, a security breach could result in reputational damage, penalties and legal and financial liabilities.	• Investments in automated prevention and detection solutions, including Perimeter security controls with advanced tools, enhanced internal vulnerability detection, data leak prevention tools, defined and tested incident management and recovery process in compliance with ISO 27001 standard. • Deployment of a security governance tool on all devices used by employees while working remotely, to monitor the work and ensure compliance to company security policies and contractual obligations. • Compliance to security controls for cloud services as per ISO 27017:2015 / 27018:2014 standard. • Continued reinforcement of stringent security policies and procedures including enhanced security measures and awareness building to combat pandemic-themed threats like phishing, soliciting for fraudulent causes or charities, suspicious pleas and communication through social media, text or calls. • Collaboration with Computer Emergency Response Team (CERT) and other private Cyber Intelligence agencies, and enhanced awareness of emerging cyber threats.

Key Risks	Impact on the Company	Mitigation
		• Enterprise-wide training and awareness programs on Information Security including the extensively used enterprise-wide communication and collaboration platforms accessed through mobile or desktop channels. • Strict access controls including dynamic passwords for secure access to enterprise applications and special handling of privileged administrator accounts. Rigorous access management on all Cloud deployments. • Encryption of data, data back-up and recovery mechanisms for ensuring business continuity. • Ability to isolate TCS enterprise network from client network and defined escalation mechanisms to handle security incidents in client environment. • Periodic rigorous testing to validate effectiveness of controls through Vulnerability Assessment and Penetration Testing. • Internal and external audits and forensics.
Non-compliance to complex and changing global regulations	As a global organization, the Company has to comply with a complex regulatory landscape across multiple jurisdictions, covering areas such as Employment and Labour, Immigration, Taxation, Foreign Exchange and Export Control, Environment, Health and Safety, Anti-Bribery and Anti-Corruption, Data Privacy and so on. The laws and regulations are continuously evolving, increasing in number and complexity. This has resulted in greater compliance risk and cost for the Company. The fast pace of changes in the regulatory environment, including those due to the pandemic, also requires quick understanding of their implications and adaptation in business operations. Failure to comply could result in penalties, reputational damage and criminal prosecution.	• Deployment of a comprehensive global compliance management framework that enables tracking of changes to applicable laws and regulations across various jurisdictions and functional areas and managing compliance obligations. This includes those laws and provisions specially enacted directly to cater to the pandemic impacts. • Periodic regulatory compliance certification, which is fully digitized enables self-governance and covers compliance across all the locations of the Company. • Adequate and effective internal controls to comply with regulations and to keep a check on unlawful and fraudulent activities. • Awareness through web-based compliance training courses for all staff and regular notifications/ alerts on regulatory changes communicated to stakeholders. • Strong governance at executive and board level through compliance committees.

Key Risks	Impact on the Company	Mitigation
Intellectual Property (IP) infringement and leakage	Risk of infringement of third-party IPs by TCS may lead to potential liabilities, increased litigation and impact reputation. Inadequate protection of TCS' IP may lead to loss of IP leading to potential loss of ownership rights, revenue and value.	• Established an industry leading IP management framework (IP 4.0) and accordingly have institutionalized frameworks, processes and procedures that address the risk of infringement of third-party IP while ensuring safeguarding of TCS' own IP assets. This strong focus on IP-led growth driven based on the 3P (Patents, Products and Platforms) strategy is contributing significantly towards thinning the competition for TCS. • Established a centralized IP and Software Product Engineering group that strives to build an IP thinking culture and hence covering the IP related awareness aspects effectively. • Well-defined (software) asset lifecycle governance framework that incorporates policy guidance and risk mitigation guidelines on IP, Legal, software product engineering and business-related risks. • IP Governance program that ensures that there is right access and right use of TCS IP, customer IP, partner IP, and third-party IP in service and partner engagements. • Some of the other key controls include: Employee confidentiality agreement, training and awareness for IP protection and prevention of IP contamination and infringement. Digitized system to enable strict controls around movement of people and information across TCS' product teams and customer account teams. • Technology inventions celebrated in TCS by running special programs such as "Invent and Inspire" wherein top inventors and their invention stories are recognized for their success and impact on business.

Key Risks	Impact on the Company	Mitigation
Sustainability Risks - Climate change and Environmental aspects	Growing scientific evidence indicates that extreme weather conditions like intense winter storms (recent event in Texas for example), rainfall, cyclones, droughts, are attributable to climate change. As a result of changing weather and seasonal patterns, there are also increasing cases of seasonal diseases, epidemics and pandemics besides threat to human safety and business disruption. As TCS has operations globally with employees distributed across numerous locations due to remote working, these sustainability related risks, if not managed properly, have the potential to impact delivery operations and safety of TCS stakeholders resulting in business disruption. **Market dimension and opportunity:** As TCS' customers respond to climate change actions, the company is seeing a transition in the customer's business models, thus creating new markets and new opportunities, creating new business avenues for TCS to partner with them in their climate change mitigation journey by leveraging its core competencies.	• An environmentally sustainable approach adopted by creating green policies, processes, frameworks and infrastructure. All TCS Centers globally continue to be certified under the ISO14001:2015 Environment Management Standard. • Designed and planned all delivery centers infrastructure to have minimum impact upon occurrence of any extreme weather events. Business Continuity plans tested periodically to ensure effectiveness in the event of disaster. Mass communication infrastructure to reach targeted set employees used effectively multiple times last year due to pandemic and extreme weather conditions. • Focus on Carbon footprint reduction, through energy efficiency, use of renewable energy, water management through rainwater harvesting, recycling and waste management. • Centralised IoT based Remote Energy Management System across TCS campuses, Roof Top Solar Power Plants in campuses. • Driving supply chain sustainability through responsible sourcing. • Year-round associate engagement on environmental awareness and sensitizing them towards nature and conservation of resources. **Market dimension and opportunity:** • Consumer behaviors are shaping how products and services are delivered and consumed. Low carbon strategies by consumers and hence increasing demand for more sustainable products and services, present an opportunity for the company. • TCS key solution areas revolve around designing sustainability strategy, sustainability innovation, sustainable consumer analytics and sustainable dashboards. Various TCS products and solutions facilitate alignment to the UN Sustainable Development Goals. TCS works closely with its customers in coming up with innovative solutions leveraging AI, ML, NLP, Cloud and DLT to manage the range of risks and opportunities climate change brings along.

Internal Financial Control Systems and their Adequacy

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

TCS' internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. TCS has a well-defined delegation of power with authority limits for approving contracts as well as expenditure. Processes for formulating and reviewing annual and long-term business plans have been laid down. TCS uses a state-of-the-art enterprise resource planning (ERP) system that connects all parts of the organization, to record data for accounting, consolidation and management information purposes. It has continued its efforts to align all its processes and controls with global best practices.

TCS management has assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Regulations 2015) as of March 31, 2021.

BSR & Co. LLP, the statutory auditors of TCS have audited the financial statements included in this integrated annual report and have issued an attestation report on the company's internal control over financial reporting (as defined in section 143 of Companies Act 2013).

TCS has appointed Ernst & Young LLP to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee. In line with international practice, the conduct of internal audit is oriented towards the review of internal controls and risks in the Company's operations such as software delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes, including most of the subsidiaries and foreign branches.

TCS also undergoes periodic audit by specialized third party consultants and professionals for business specific compliances such as quality management, service management, information security, etc. The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets TCS' statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically.

Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015), TCS' audit committee has concluded that, as of March 31, 2021, the company's internal financial controls were adequate and operating effectively.

Performance Trend – 10 years

Amounts in ₹ Crore

	Ind AS							Indian GAAP				
	FY 2021*	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015#	FY 2015	FY 2014	FY 2013	FY 2012
Revenue from operations												
Total revenue from operations	164,177	164,177	156,949	146,463	123,104	117,966	108,646	94,648	94,648	81,809	62,989	48,894
Revenue by geographic segments												
Americas	84,278	84,278	82,000	77,562	66,145	66,091	60,011	51,053	51,053	45,259	35,247	27,570
Europe	52,346	52,346	48,037	43,456	34,155	30,038	29,092	26,730	26,730	23,433	16,813	12,382
India	8,449	8,449	8,964	8,393	7,921	7,415	6,729	6,108	6,108	5,488	4,890	4,202
Others	19,104	19,104	17,948	17,052	14,883	14,422	12,814	10,757	10,757	7,629	6,039	4,740
Cost												
Employee cost	91,814	91,814	85,952	78,246	66,396	61,621	55,348	48,296	50,924	40,486	31,922	24,683
Other operating cost	25,817	27,035	28,888	28,711	24,192	24,034	22,621	19,242	19,242	16,170	13,027	9,776
Total cost (excluding interest & depreciation)	117,631	118,849	114,840	106,957	90,588	85,655	77,969	67,538	70,166	56,656	44,949	34,459
Profitability												
EBITDA (before other income)	46,546	45,328	42,109	39,506	32,516	32,311	30,677	27,110	24,482	25,153	18,040	14,435
Profit before tax	44,978	43,760	42,248	41,563	34,092	34,513	31,840	28,437	25,809	25,402	18,090	13,923
Profit after tax attributable to shareholders of the Company	33,388	32,430	32,340	31,472	25,826	26,289	24,270	21,912	19,852	19,164	13,917	10,413
Financial Position												
Equity share capital	370	370	375	375	191	197	197	196	196	196	196	196
Reserves and surplus	87,014	86,063	83,751	89,071	84,937	86,017	70,875	52,499	50,439	48,999	38,350	29,284
Gross block of property, plant and equipment	28,658	28,658	26,444	24,522	22,720	20,891	19,308	16,624	16,624	13,162	10,996	8,844
Total investments	29,373	29,373	26,356	29,330	36,008	41,980	22,822	1,662	1,662	3,434	1,897	1,350
Net current assets	66,076	65,125	63,177	70,047	63,396	65,804	47,644	30,726	28,495	27,227	19,734	12,673
Earnings per share in ₹												
EPS - as reported	89.27	86.71	86.19	83.05	134.19	133.41	123.18	111.87	101.35	97.67	70.99	53.07
EPS - adjusted for Bonus Issue	89.27	86.71	86.19	83.05	67.10	66.71	61.59	55.94	50.68	48.84	35.50	26.54
Headcount (number)												
Headcount (including subsidiaries) as on March 31st	488,649	488,649	448,464	424,285	394,998	387,223	353,843	319,656	319,656	300,464	276,196	238,583

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

*Excluding provision towards legal claim.

Excluding the impact of one-time employee reward.

Overview of Funds Invested

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

(₹ Crore)

	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
	Current		Non-current		Total funds invested	
Investments in mutual funds, Government securities and others	29,160	26,140	175	174	29,335	26,314
Deposits with banks	3,848	1,210	719	348	4,567	1,558
Inter-corporate deposits	11,229	8,171	27	27	11,256	8,198
Cash and bank balances	5,272	8,241	-	-	5,272	8,241
Total	**49,509**	**43,762**	**921**	**549**	**50,430**	**44,311**

Total invested funds include ₹1,306 crore and ₹1,195 crore for FY 2021 and FY 2020, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Ratio Analysis – 10 years

Ratio Analysis	Ind AS							Indian GAAP				
	Units	FY 2021*	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015#	FY 2015	FY 2014	FY 2013	FY 2012
Ratios - Financial Performance													
Employee Cost / Total Revenue	%	55.9	55.9	54.8	53.4	53.9	52.2	50.9	51.0	53.8	49.5	50.7	50.5
Other Operating Cost / Total Revenue	%	15.7	16.5	18.4	19.6	19.7	20.4	20.9	20.4	20.3	19.8	20.7	20.0
Total Cost / Total Revenue	%	71.6	72.4	73.2	73.0	73.6	72.6	71.8	71.4	74.1	69.3	71.4	70.5
EBITDA (Before Other Income) / Total Revenue	%	28.4	27.6	26.8	27.0	26.4	27.4	28.2	28.6	25.9	30.7	28.6	29.5
Profit Before Tax / Total Revenue	%	27.4	26.7	26.9	28.4	27.7	29.3	29.3	30.0	27.3	31.1	28.7	28.5
Tax / Total Revenue	%	7.0	6.8	6.2	6.8	6.7	6.9	6.9	7.2	6.6	7.4	6.4	7.0
Effective Tax Rate - Tax / PBT	%	25.5	25.6	23.2	24.1	24.1	23.6	23.6	23.5	23.7	23.9	22.2	24.4
Profit After Tax / Total Revenue	%	20.3	19.8	20.6	21.5	21.0	22.3	22.3	23.2	21.0	23.4	22.1	21.3
Ratios - Growth													
Total Revenue	%	4.6	4.6	7.2	19.0	4.4	8.6	14.8	15.7	15.7	29.9	28.8	31.0
EBITDA (Before Other Income)	%	10.5	7.6	6.6	21.5	0.6	5.3	25.3	7.8	(2.7)	39.4	25.0	29.1
Profit After Tax	%	3.2	0.3	2.8	21.9	(1.8)	8.3	22.3	14.3	3.6	37.7	33.6	14.8
Ratios - Balance Sheet													
Debt-Equity Ratio	Times	-	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Ratio	Times	3.0	2.9	3.3	4.2	4.6	5.5	4.1	3.9	2.4	2.7	2.7	2.2

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

*Excluding provision towards legal claim.

Excluding the impact of one-time employee reward.

Ratio Analysis	Ind AS							Indian GAAP				
	Units	FY 2021*	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015#	FY 2015	FY 2014	FY 2013	FY 2012
Days Sales Outstanding (DSO) in ₹ terms	Days	67	67	71	68	74	70	81	79	79	81	82	86
Days Sales Outstanding (DSO) in $ terms	Days	68	68	67	69	74	73	80	78	78	82	82	81
Invested Funds / Capital Employed	%	52.6	53.1	47.7	55.2	55.6	55.8	45.8	42.3	43.9	44.0	37.2	35.6
Capital Expenditure / Total Revenue	%	1.9	1.9	2.0	1.5	1.5	1.7	1.8	3.1	3.1	3.8	4.2	4.1
Operating Cash Flow / Total Revenue	%	23.6	23.6	20.6	19.5	20.4	21.4	17.6	20.5	20.5	18.0	18.4	14.3
Free Cash Flow / Operating Cash Flow Ratio	%	91.9	91.9	90.5	92.5	92.8	92.3	89.7	84.8	84.8	78.9	77.3	71.5
Depreciation of Property, Plant and Equipment (PPE) / Average Gross Block of PPE	%	8.7	8.7	8.6	8.5	9.1	9.5	10.0	11.7	11.7	10.6	10.2	10.7
Ratios - Per Share													
EPS - adjusted for Bonus	₹	89.27	86.71	86.19	83.05	67.10	66.71	61.59	55.94	50.68	48.84	35.50	26.54
Price Earning Ratio, end of year	Times	35.6	36.6	21.2	24.1	21.2	18.2	20.4	22.8	25.1	21.8	22.1	22.0
Dividend Per Share	₹	38.00	38.00	73.00	30.00	50.00	47.00	43.50	79.00	79.00	32.00	22.00	25.00
Dividend Per Share - adjusted for Bonus	₹	38.00	38.00	73.00	30.00	25.00	23.50	21.75	39.50	39.50	16.00	11.00	12.50
Market Capitalisation / Total Revenue	Times	7.2	7.2	4.4	5.1	4.4	4.1	4.6	5.3	5.3	5.1	4.9	4.7

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

*Excluding provision towards legal claim.

Excluding the impact of one-time employee reward.

FY 2021 PERFORMANCE OVERVIEW: SOCIAL CAPITAL

A Purpose-Driven Approach

TCS' Corporate Social Responsibility (CSR)[24] commitment stems from the Company's core values and the Tata Group's ethos of improving the quality of life of local communities, while contributing to economic and social development. TCS' core belief of building greater futures for people and communities through innovation and collective knowledge is based on the values of fairness, equity and respect for human rights and guides how the Company conducts its business, treats its employees and supports local communities[25].

The company's vision is to empower communities by connecting people to opportunities in the digital economy and its mission is to build inclusive, equitable and sustainable pathways for all - especially youth, women and marginalized communities.

TCS has continued to empower communities globally through its strategic programs - by prioritizing education, skilling, employment and entrepreneurship with a focus to bridge the opportunity gap. TCS has also invested in basic health and wellness, water sanitation and hygiene, conservation and disaster relief efforts to support the most pressing needs of communities across the globe.

TCS' CSR programs have integrated inclusion within their design, ensuring that the company applies its resources towards communities and population segments that need it the most, and becomes the catalyst for equal access. In India, the company is aligned with the Government of India's Affirmative Action Policy and the Tata Group's Affirmative Action Program.

In FY 2021, TCS' global community initiatives reached more than 1.8 million beneficiaries.

TCS has leveraged its intellectual, technology expertise, and financial and human capital to create exponential impact across the globe. The company's engagement strategy utilizes its contextual knowledge and the knowledge from a diverse network of experts to develop innovative solutions to unique problems within the community. Its deep understanding of technology and its application helps to create a strong foundation for execution at scale. TCS' growing, highly skilled and diverse workforce serves as champions to build organic connects with the community while accelerating social impact. This novel approach ensures that the company invests in large-scale yet sustainable initiatives that create generational improvements.

Opportunities for employees to volunteer time include skills-based volunteering, pro bono support to community-based organization and social cause leadership. In FY 2021, more than 69,000 employees volunteered over 787,000 hours to support these initiatives.

An understanding of access darkness during the pandemic prompted bridgital and other innovative solutions and a recalibration of TCS programmes. The company has leveraged this opportunity to reimagine its programs through a digital-first approach and, in conjunction with its efforts to close the digital gap, to be able to reach people when and where they needed it most.

[24] 103-2, 103-3

[25] TCS has been a signatory to the UN Global Compact (UNGC) since 2006 and is aligned with its ten principles. The Company supports the principles contained in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights.

Community Initiatives[26]

EDUCATION	
Adult Literacy program (ALP)	
Ignite My Future in School (IMFIS)	
SKILLING	
GoIT	
EMPLOYMENT	
Youth Employment Program	
ENTREPRENEURSHIP	
BridgeIT	
Digital Impact Square	

THOUGHT LEADERSHIP, RESEARCH AND INSIGHTS	
Digital Empowers	
BASIC HEALTH AND WELLNESS	
Cancer Institute, Chennai	
Medical Center (TMC)	
Operation Smile	
Tata Trusts Migrant Resource Centers	
WATER SANITATION AND HYGIENE	
Jal Jeevan Mission	

Pro-Bono Technology Support to Social Organisations	
Women's Business Collaborative	
Chief Executives for Corporate Purpose (CECP)	
Charitable Recycling Australia	

Education

India has ~258 million adult illiterates. Despite years of investments, illiteracy continues to persist as a core impediment stopping individuals from becoming productive and responsible members of their communities and contributing to the national economy. Over the last two decades, **TCS' Adult Literacy program** has not only helped create basic literacy for groups that are otherwise left behind, but has also empowered its female beneficiaries to become income generators and change agents within their own communities. Literacy empowerment has resulted in social and economic inclusion, as well as access to government benefits, insurance schemes, financial stability and, in some cases, financial independence.

[26] 413-1

TCS' proprietary Computer Based Functional Literacy (CBFL) solution continues to help people across India and in Africa achieve functional literacy (reading, writing, arithmetic) within 50 hours - 1/6th the time demanded by conventional learning methods. This year, TCS invested in efforts to broaden its scope to include financial and digital literacy modules, so that the program is elevated to integrate a path to enhanced livelihoods while creating relevance for its learners in the new digital world.

8,180 learners gained literacy skills this year. Till date the program has reached learners across 20 states and 162 districts in India and in Burkina Faso, Western Africa.

Downstream impact created by the program, till date, includes

- 81% of learners encouraged their own children, especially girls, to go to school.
- 75% reported that their self-esteem had increased as a result of being literate.
- 67% reported that they were now more participative in family decisions.



Like any other piece of drawstring, the measuring tape in Asha Devi's tailoring shop in a nondescript village of central India, hung uselessly for years. Despite her competence with the sewing machine, till the age of 45, Asha could never establish herself as a 'Tailor Master'. She could neither read nor write, and therefore she could not take down measurements to sew.

Asha Devi enrolled herself in the Adult Literacy Program (ALP) and over three months, achieved functional literacy. She now understands digits, expertly takes measurements and writes them down.

Literacy brought out the natural entrepreneur in her. Asha has now started a tailoring school at her house where she offers a two-month crash course. The school gives her an assured income, in addition to the monthly turnover in her tailoring shop.

"Now I'm not dependent on anyone. At the bank, I can do my own transactions. Earlier, I would have to take my daughter's help to fill out the forms and could only use my thumb print," she says.

Education has never been more important than in today's globally connected, knowledge-based economy. It is increasingly critical for students to master algorithmic thinking, problem-solving, collaboration and creativity, among several other skills that will set them up for success in this new world of work.



Teachers from a school in Bronx, New York receive guidance through an IMFIS module.

Computational thinking (CT) has emerged as a key skill-set empowering students with the strategies they need to thrive in any job or industry. **Ignite My Future in School (IMFIS)** has integrated CT skills within classrooms in 350 districts across US and in India, LATAM and UK.

While integrating a core yet novel skill set within classrooms, multi-layer engagement is critical. The program has integrated within its model support to key stakeholders within the learning ecosystem which includes students, parents, teachers and administrators and adopted an inclusive approach within its design so that no student gets left behind.

As educators grappled with virtual learning during the pandemic, IMFIS offered year-round support through its Learning Leader Ambassador Program working with 190 educators from schools across North America, UK and LATAM in addition to sharing distance learning activities that teachers of any subject, grade, or student population could immediately put into action.

In FY 2021, IMFIS empowered more than 600,000 students and educators. This year, the program was also launched in India, Wales, Mexico and Canada. The program surpassed its goal to reach 1 million K-12 students and 20,000 educators in the U.S. a full year ahead of the company's 2022 goal.

An integral element of the program is the Ignite Innovation Student Challenge, which encourages students to use computational thinking to create digital solutions that solve problems within their community and improve the world. The program has created innovation champions like Ryan H who was recognized as an "Orange County Hero" by the American Red Cross and received a grant from the Office of Naval Research to bring his low-cost wildfire detection idea to life – a much needed solution in a year that has seen multiple fires within the region.

In addition, Gitanjali R, winner of the 2019 challenge under the Health Pillar was named Time magazine's first ever 'Kid of the Year'.

Skilling

In today's Business 4.0™ world, where digital technologies are rapidly reshaping the ways in which enterprises do business, integrating new skill sets within a student's learning experience can play an extremely important role in democratizing access to opportunities.

This has been the unique outcome of **goIT,** TCS' student focused digital innovation program, which has introduced learners across the globe to STEM, computer science, design thinking and innovation. Students who have experienced goIT are empowered to create technology enabled human-centred solutions to problems within their ecosystems such as Local, an app to provide low-income families with fresh, locally sourced produce or Big Otry Fever, a platform to mitigate online bullying and negative commentary.



Diego Vela is a middle school teacher at Colegio Ingles Americano in Monterrey, Mexico. In his STEM lab and computer studies classes, he incorporates Ignite My Future's transdisciplinary lessons to empower his students to solve real world problems.

He says, *"The power of computational thinking lies in the fact that once you show students how to apply it to solve problems, they will naturally begin to apply those strategies from that moment forward. They will forever receive the benefits of using computational thinking to find solutions."* Diego is also a Learning Leader Ambassador who has shared his love of computational thinking and IMFIS resources with teachers in his school and at global events.

Through the program's global collaboration, he has connected his classes with other students from around the world to work together to solve global problems using computational thinking. *"We all speak one language,"* says Deigo. *"It is the language of education."*







The goIT Monthly Challenge provides a recurring opportunity for classrooms to directly engage with the UN Sustainable Development Goals (SDGs) and the much-needed virtual engagement for students who are remotely learning. It engages experts from across business and policy to set challenges on issues impacting TCS communities to spur digital innovation, creativity and generation of new ideas. This year, students across North America, UK and Australia worked on novel solutions to address sustainability challenges impacting communities everywhere.

It was Jennifer Smith's, EVP and CIO Zions Bancorporation, challenge on reducing inequalities (SDG goal 10) that spurred Nadine and Ivy from Canada to create winning solutions to address gender and ethnic inequalities.

Nadine's solution Female Force specifically targets gender inequality by creating a safe space for women to share their experiences and ideate on solutions. Nadine says, *"With Female Force I want to create a supportive virtual village in which women can empower each other."*

goIT helps students think, problem solve and design. Through a standardized and engaging curriculum, students are introduced to the innovation lifecycle, product prototyping and industry relevant entrepreneurial skills empowering them to become the digital innovators of tomorrow. 94% of the students have gone through the program indicated that they were excited about a career that utilizes digital technologies.

The pandemic demonstrated the critical role learning continuity played while highlighting the need to build strong support systems. In response, goIT transitioned to three models of delivery while keeping the core curriculum intact – volunteer driven engagements in-person or virtually, goIT Online ensuring seamless year-round connects with students and SDG focused monthly challenges that encouraged students to create solutions based on UN Sustainable Development Goals. These unique offerings enabled students to expand their creativity, connect with a myriad of industry mentors and develop sustainable solutions to problems faced by vulnerable communities across the globe.

In FY 2021, the program reached more than 54,000 beneficiaries and expanded to 33 countries.

Impact created by the program, till date, includes,

- 70% of students showed an increase in empathy.
- 80% of students showed higher order design thinking skills.
- 55% wanted to continue using technology to create solutions for the community.

Employment

Over the decade to 2030, India will need to create at least 90 million new jobs to absorb the 60 million new workers who will enter the workforce. In a similar vein, Latin America experiences the world's highest skills shortage in the formal economy, with four in ten organizations finding it difficult to get workers with the necessary skills.

As a result of the pandemic, digital fluency and a mastery of technology has become the default especially when ensuring access to future opportunities. Despite this, there still exists an acute lack of access to and understanding of digital technologies. Even today, youth from ethnic, socio-economic, and otherwise marginalized communities have limited or no access to develop market relevant skills that can set them up for success.

Last year TCS Singapore partnered with the Singaporean government to help graduates upskill and secure jobs during COVID last year, along with its usual hiring. In FY 2021, TCS Singapore announced plans to launch a Digital Acceleration

Centre (DAC), supported by the Singapore Economic Development Board (EDB), to support Singapore's businesses in their recovery and future-readiness. As part of this initiative, TCS' will provide up to 100 traineeship opportunities for local polytechnic and university graduates through Workforce Singapore's SGUnited Traineeships Programme. This programme consists of foundational, specialized, and hands-on training courses for intensive skill building through various formats including webinars, assessments, and hackathons.

TCS' Youth Employment programs, in India and LATAM, have supported skills development for undergraduate students and have provided a platform for first time employment in the private sector for many. These trainings have not only increased self-esteem, status and confidence but have also led to enhanced mobility, financial independence and generational growth.

Overall, engineering students experience business communication, general aptitude and technical skills over 196 hours while non-engineering students train in math, analytics, English and technology over 100 hours. Armed with cross-functional skills, these youth are then connected to employment opportunities across multiple sectors.

Over last year, TCS realised that in rural colleges where computer and internet access were limited, it was critical to evolve its program model so that students using smartphones with low bandwidth or even regular phones were able to connect to mentors and coaching sessions. The digital pivot meant mentors and TCS volunteers from every part of the country, even other parts of the world, could join in. The initial challenge of mobility became an opportunity to tap into a larger pool of volunteers, youth and mentors increasing one-on-one engagement and learning effectiveness.

In FY 2021, more than 15,000 students were trained in India and LATAM, and more than 800 students gained employment in sectors such as IT, BPS, retail, banking and several others. The impact created by the program, till date, includes,

- 1.5x enhancement in income in comparison to male employee in a rural area.
- 81% indicated that better jobs led to a change of role as earning member.
- 74% indicated an enhancement of status in the family and community.

Entrepreneurship

Access to high paying jobs and improved standards of living are often not available to youth from rural and marginalized areas. Additionally, lack of proper



During the last three semesters of his graduate program at the Government Engineering College of Kushalnagar, Rakshith joined the **TCS Youth Employment Program** for rural undergraduates, which he describes as a remarkable transformational journey.

Prior to this experience, his family's sole source of sustenance was their paddy field. After his training, Rakshith was recruited by a leading IT consulting company. Two years into employment, Rakshith has not only supported the needs of his family adequately but added to their savings, enabling them to purchase a coffee estate near their village.

At work, Rakshith has devoted himself to ensuring the same opportunities are made available to many others. Today, outside his working hours, he conducts at 10 aptitude sessions in every quarter with at least 40-60 students across 14 colleges attending each session.

"The program inspired me develop skills that helped me become a high skilled professional. It also played a significant role in making me more confident in my communications skills. I believe this program is a necessity for all rural students who are aspiring to achieve their goals with limited available resources." says Rakshith.

digital infrastructure, knowledge and resources in villages have prevented communities from accessing opportunities presented by the digital economy.

BridgeIT, is a youth entrepreneurship program that has played a pivotal role in enhancing access to new opportunities. The program enables economic growth to be more inclusive allowing rural entrepreneurship to become key enablers in overcoming discrimination and raising the standards of living of those in rural areas.

An intensive training infrastructure, access to digital tools and resources help youth participants to emerge as confident, savvy entrepreneurs that are empowered to offer digitally-enabled services that not only support their own financial independence, but also create a the much-needed connect for rural populations.

With access to digital within its core theory of change, the program also implements Computer Aided Learning (CAL) in Government schools and supports literacy for adults through Computer Based Functional Literacy (CBFL) modules.

Through FY 2021, the entrepreneurs have diversified the service lines delivered by them thereby enhancing their income and standard of living. These entrepreneurs are also slowly becoming an organic network of connects for the rural communities to access the abundance offered by a highly digitized world. Services such as banking, financial transactions, tele-health and tele-law, as well as access to government schemes like Ayushman Golden Cards and farmer support are, as a result, more easily accessible. Bapi from Odisha started his entrepreneurial journey in August 2020. In less than a year's time, Bapi's monthly income reached ₹130,000. Honappa from Karnataka has experienced a similar trajectory earning ₹146,000 last month after only 11 months of being an entrepreneur.

Another critical outcome has been the upward social mobility and respect for these entrepreneurs within their communities. For example, Zohming from Mizoram was elected as the Vice President of his village council after supporting multiple families through his services.

As of date, the program has 437 active digital entrepreneurs, providing digital services to an average of 200,000 beneficiaries every quarter. Till date, this robust network of entrepreneurs has support rural populations across 30 districts and 10 states in India.

Impact created by the program, till date, includes,

- 2x earnings for men in comparison to others self-employed in rural areas.
- ₹4 crore aggregate earnings of entrepreneurs
- 95% indicated increased income and improved standard of living.
- 92% women indicated higher self esteem at home.



The community in Ekta village of Bharatpur district in the central Indian state of Rajasthan today lauds the grit, toil and determination with which Laxmi steered her family - from economic distress to stability - as she took on the role of an entrepreneur and a digital service provider. At 18, Laxmi joined the BridgeIT program, training to use a computer while enhancing her communication and business skills. In parallel, she made time to complete her graduation.

After she acquired digital skills, Laxmi was provided two laptops to start her own business. *"I opened a shop at home offering services like e-Mitra, on-line form filling for issuing fresh ration cards, Aadhar cards, voter ID cards, pension withdrawal and anything else that needed to be enabled digitally,"* recalls Laxmi.

Laxmi visited each of the 5,000 households in her village to market her services. As the business flourished, her monthly income grew to ₹ 60,000. Today, Laxmi is a leading supporter at the local self-help group and has supported the community with their online documentation, so that they, in turn, can access the COVID-19 subsidies and relief schemes.

A TCS Foundation Initiative, **Digital Impact Square (DISQ)**, an open social innovation center, has leveraged digital technologies to become an enabler for growth and transformation. The intervention has addressed challenges in health and hygiene, food security, housing and transportation, water, citizen empowerment and education among several other critical areas.

Digital Impact Square fosters a culture of innovation through a series of sustained innovation cycles. This, in turn, accelerates the journey for many young ideators to entrepreneurs and innovators. Overall, the program has supported 11 solutions in reaching self-sufficiency.

Thought Leadership, Research and Insights

In addition to leveraging emerging technologies to transform customers' businesses, TCS is also using them to transform society. TCS leverages its intellectual capital to create innovative solutions to societal challenges and the company does this by applying its contextual knowledge while engaging a high-profile and diverse network of leaders to harness expertise and amplify impact.

In collaboration with the World Economic Forum, TCS released *Closing the Skills Gap: Key Insights and Success Metrics* summarizing a 3-year collaboration that generated business commitments to skill 17.3 million people and includes case studies and lessons learned from 33 companies and 44 programs.

Digital Empowers

The purpose of Digital Empowers is to raise awareness on digital technologies and social issues, explore the art of what's possible, and foster cross sector partnerships. The program has primarily focused on convening four key expert groups from technology, business, non-profit, and public policy - to ideate, collaborate and create solutions for social impact leveraging emerging technologies.

Since inception in 2018, Digital Empowers has engaged with more than **2,500** experts from UK, Europe, US and Canada to expand the knowledge base, explore new solutions and collaborate to address the most pressing community issues - all of which have cross sections across the world. In an effort to further engage and leverage the innovative nature of the startup community, Digital Empowers launched **Pitch for Purpose** in 2020, for founders of U.S.-based early-stage tech ventures using their startup as a force for good. Symba's digital internships solution won funding and mentorship support from TCS.

In response to education interruptions caused by the COVID-19 pandemic TCS produced a *Global Insights Report* to provide recommendations to adapt to a changing education landscape.



Basic Health and Wellness

TCS has consistently leveraged its technology capabilities to execute large scale community impact programs enabling greater access to high quality healthcare facilities. TCS's Digital Nerve Centre is a unique and innovative care delivery model designed to connect, communicate, coordinate and deliver care by leveraging people, infrastructure and a robust digital platform. The primary healthcare transformations at Kolar has integrated all levels of public health facilities -from Sub centre, Primary Health Centre level to District Hospital level on a single platform to provide the right care through the right healthcare center.

TCS' technology support to **The Cancer Institute (CI) - Chennai and Tata Medical Center (TMC) – Kolkata** has opened new avenues of connection and real time communication enhancing efficiency and quality for care.

The **Tertiary Health Care Transformation at the Tata Medical Center (TMC) i**n Kolkata provided 100% coverage of patients via virtual engagements, including those that did not show and were not reachable. Patient care services implemented this year improved patient satisfaction and reduced anxiety.

A new clinical dashboard was rolled out this year to virtually support doctors by providing a holistic view of patient's clinical reports. To enhance operational efficiency, enhancements were made to the management system supporting laboratory services, billing and finance. All these enhancements ensure that patients not only benefit from modern affordable cancer therapy but also from the cost-effective models of care.

For **Operation Smile**, an organisation that has enabled thousands of safe surgeries for those born with cleft lip and cleft palate, TCS built a comprehensive Patient Management System to streamline a patient's journey.

TCS also supported Tata Trusts in their interventions for **migrant populations in Uttar Pradesh and Karanataka, India** through a holistic Beneficiary Management System (BMS) and a grievance management system. A mobile application for field mobilizers helped capture details and create sensitizations about Apna Seva Kendras and government schemes and benefits.

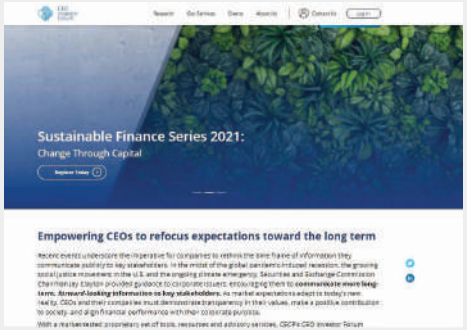
Water Sanitation and Hygiene

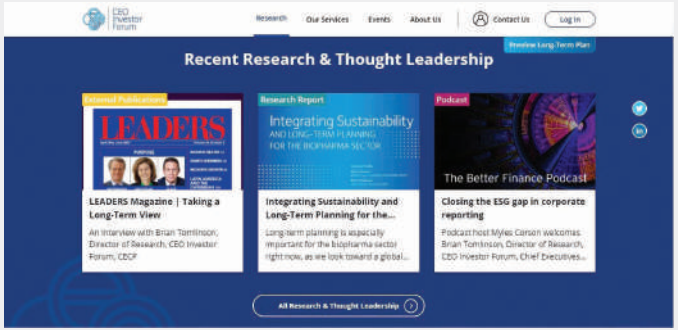
Jal Jeevan Mission, a project by the ministry of Jal Shakti, Government of India has been supported by the Tata Group with TCS providing key expertise in applying a 'Bridgital model' for monitoring rural water service delivery as well as enhanced stakeholder engagement via digitally enabled workflows. To date, interventions have led to the co-creation of a smart water management system to serve potable water to 20 crore rural households at the lowest cost, empowered the consumers to enhance their experience by enabling data driven operations through mobile apps, evangelized the State Governments to fast track the system roll out, capacity-built teams and enabled the adoption of a Utility Operations culture.

Through this year, the program has successfully piloted and demonstrated benefits from **'IoT based smart rural water management'** in 7 villages across 4 States. The project has also aided the government and technical taskforces in developing adequate standards, governance frameworks and rollout guidelines.

Pro-Bono Technology Support to Social Organisations

TCS' pro-bono technology support interventions continue to help community-based organizations across the globe. In FY 2021, the company supported social organizations like the **Women's Business Collaborative** focused on leveraging the power of collaboration to accelerate change for gender inclusion and **Chief Executives for Corporate Purpose (CECP**), a CEO-led coalition to create social impact in North America with services valued over $2million.





Stakeholder capitalism and a purpose driven approach is becoming critical for companies as consumers and the society at large is expecting more from businesses. It is, therefore, important for companies to communicate more long-term, forward-looking information to key stakeholders. TCS' technology enabled solution for **Chief Executives for Corporate Purpose (CECP)** has digitally enabled long-term planning for more than 250 of its member companies.

The solution has supported over 30 CEOs on their journey to refocus investor expectations towards the long term and corporate sustainability.

"Through their pro bono services, TCS gave us, as a non-profit, access to expert developers who helped us design and implement a first-class platform. TCS worked hands-on as an extension of our team and fully embedded themselves in the development process from start to end as true thought partners."

In Australia, TCS provided pro bono technology empowerment to Australia and New Zealand based Meals on Wheels, Royal Hospital for Women, Food Ladder, Charitable Recycling Australia and Biocovid valued at A$1 million so they could continue to support people who depended on their services even during in the pandemic.

Employee Engagement



TCS community investments have been actualized, in a large part, by its large employee base who generously volunteer their time, skills and expertise as last-mile connectors. TCS' Employee Volunteer Program channeled the unique skillset of its employees and their ability to address some of the most pressing issues in countries where they live and work. In FY 2021, more than **69,000** employees volunteered over **787,000** hours to support these initiatives, contributing to Sustainable Development Goals 3, 4, 5, 8, 10, and 13.

As the pandemic driven global lockdowns were imposed, TCS developed virtual skills-based volunteering opportunities via a global catalogue for associates. Through the **Youth Employment Program**, volunteers in India delivered sessions for youth in Sweden, Germany, US and Australia.

Through TCS' collaboration with Katalyst, 33 volunteers mentored 53 girls from marginalized communities in India providing them the exposure to a new set of experiences and perspectives.



A Sakira Banu, IT Analyst, Chennai: *CSR Champion who changed the lives of 1300 people*

At the Oragadam Thiruvidanthai village in Tamil Nadu, access to water was a massive issue, with only one borewell for 46 families. The greatest impact was on women and their sanitation and hygiene. Sakira Banu, through her volunteering effort, was instrumental in constructing a motor-based borewell to create access to water for 160 people. Sarika also supported efforts to construct borewells in Sembakkam and Paloor Villages.

At the Hanumanthapuram Government School in Tamil Nadu, students had to bring water from their own homes rationing consumption to ensure they had access to clean drinking water through the school day. Leveraging her experience of constructing sustainable borewells, Sakira liaised with the Block Development Officer, obtained the necessary approvals, and the school got a 425 ft borewell and long-term access to water, leading to better sanitation and hygiene for the entire school.

In her role as a volunteer champion, Sakira has also led efforts to plant 100,000 palm seeds along the coast of Panaiyur village to mitigate excessive soil erosion.

Through **Lab on Bike**, implemented in association with Agastya International Foundation, associates volunteered to provide more than 600 students and teachers access to quality hands-on basic education designed to foster creative thinking, problem-solving and communication skills. Associates also conducted computers, English, science and Math lessons for 40 students of Ashram Vinay Mandir School.

Over 2,800 people from rural communities in Karnataka and Puduccherry were supported by TCS volunteers. Students were provided access to computer, internet, multimedia learning while employment-related mentorship was provided to the youth. Adults in the villages benefited from the healthcare advice and awareness programs.

TCSers in China helped set up a computer lab to facilitate remote education in a distant school in Gansu province. Employees who, typically, volunteered in person, spent time via video conferencing several times a week to teach students STEM subjects. TCSers in the US and Canada supported military veterans and youth from underserved communities through mock interviews and virtual career coaching, while those in India volunteered time to lead technical trainings through its youth employment programs.

Employees also supported disaster relief efforts to help those affected by typhoon Rolly and Ulysses by providing kits for communities affected by typhoon Ulysses and by raising funds.

Empowering Communities to Adapt and be Resilient to COVID19

As the unprecedented impact of the pandemic hit communities across the globe, TCS focused on building resilience. While the safety and well-being of its employees and ensuring support to its customers were key, it was equally important to continue the mission critical services that the company was performing around the world to help people transition into this new beginning. TCS contributed ₹ 250 crore to the PM Cares Fund to support vulnerable and marginalized populations in India.

TCS responded to this global community challenge with great agility, creating essential interventions including those that supported health and well-being, facilitated adaptation of education systems to virtual and remote learning and leveraged a purpose-driven approach to utilizing its technology and human capital to create solutions that address immediate needs of the local communities.

The pandemic pushed medical professionals into the front lines of the crisis. As a result, there was an increased need to develop and deliver resources that support physicians, nurses, care team members

and their families. TCS provided more than 100,000 PPE to police and front-line workers and supported the building of isolation centers in Noida. The company also built capacity for 200 doctors across 22 hospitals, in collaboration with Tata Trusts and CMC Vellore Hospital and Care Institute of Health Sciences, supporting these essential workers at a time when the pandemic was at its peak.

2.5 million meals were distributed to 250,000 doctors and medical professionals in partnership with Indian Hotels Company Ltd. This helped ensure health and well-being as health professional worked around the clock. **TCS iON CoronaWarriors**, an online learning program, was specifically created for paramedical and professional healthcare workers on the fundamentals of infection prevention and control of COVID-19. This 6-hour course was designed and curated by healthcare experts at TCS and Harvard University to provide essential support during the peak of the pandemic.

For at risk populations such as those with cancer, TCS' support to Cancer Institute, Chennai ensured the activation of contact-less patient care coordination services for over 21,000 patients. Virtual consultation services implemented at the hospital proved to be immensely beneficial while the integration of a COVID assessment helped with early assessment and the delivery of appropriate care. At Tata Medical Center Kolkata, Clinicograph™ services enabled location independent access to review and analyze patient data to provide care during lockdowns.

The pandemic had the deepest impact on those who are most vulnerable, including people living in poverty, older people, those with disabilities, youth and minorities. TCS' support in providing food, pantry boxes and healthcare products for vulnerable communities in the U.S., Mexico and Chile ensured access to basic sustenance. At this time, it was also important that verified information is made available for those in rural and disconnected areas. TCS created content in 10 Indian languages focusing on physical and emotional well-being as well as guides to access government relief measures and other entitlements that were crucial to ensuring wellness of 450,000 people in India during the lockdowns.



TCS' Leaders with Purpose program provides professional development through hands-on civic leadership training to select champions committed to leveraging their skills to change the world. The 80-member cohort of 2021 is currently undergoing expert mentoring sessions and social projects to build socially conscious leaders within the company's workforce.

For many years, Anita served as a CSR Champion, helping organize and promote volunteer opportunities among associates in her account. In 2019, she enrolled for the program, motivated by a desire to help train and inspire the next generation of *"volunteers to spread the sense of purposefulness across the workforce."*

Through training in community engagement, Anita gained greater insight into the objectives and opportunities to scale impact through corporate social initiatives. After graduating from the program in the summer of 2020, Anita remains a true social leader and she is now leading a team of TCS associates in a pro bono effort benefitting an international disaster relief agency. She also serves on TCS' inaugural Go Red Advisory Committee to raise funds and awareness in the fight against heart disease, the global #1 cause of death.

Lending a Helping Hand

TCS family of more than 488,000 global employees shared TCS' commitment to support those that needed it the most – and TCS, in turn, supported



All it takes is one person to make a difference. Jigar Chadva, a delivery manager and a community champion, realized that he alone could be the start of a movement that would provide support and relief for so many impacted by the pandemic.

He, along with members of his team, took the lead to organize several activities in Bangalore to provide relief to marginalized sections and those below the poverty line, who are most impacted by the lockdown. Understanding the need for swift action, Jigar worked, for over 2 months, to collect and distribute 450 food packets from central government authorized kitchens for people in and around Whitefield area of Bangalore city.

Twenty families also received groceries and supplies worth ₹10,000. Organizations such as Chaitanya Kuteer, SOS Children's village and Vonisha Foundation received a total of 1,000 masks while non-profit Chaitanya Kuteer was also supported with grocery stock of 2 months for the wellbeing of the children who were under its care.

For his efforts, Jigar was recognized as a CORONA warrior – a special badge issued by the Government of India for those who had selflessly volunteered time in support of communities and to help others receive immediate relief.

"Thanks to you and your team of warriors for this generous gesture towards community well-being Since these areas are home to people who earn less than ₹30 a day, these masks are the much needed and timely protection against any new wave of the pandemic." - SOS Children's Villages of India, Bangalore

their incredible efforts and generosity during the pandemic. TCS matched 100% of employee donations, resulting in over ₹12 crore donated to global community organizations such as the PM CARES fund, Feeding America, Canadian Red Cross, Caritas Manila, Singapore People's Association and many others.

TCS associates volunteered time to create awareness e-communication materials in multiple easily accessible formats and translated these into four languages. As a result, over 18,000 beneficiaries in India had access to WHO guidelines on actions to adopt to ensure their safety during the pandemic.

Technology and innovation are the core strengths of TCS, and the company leveraged its expertise in both to overcome the challenges communities were facing during the pandemic. Resilience of social organizations was key if continuity to essential services had to be maintained. TCS delivered enhancements to its Beneficiary Management System (BMS), developed pro-bono for Tata Trust's migrant support interventions. Enhancements included features such as SMS and e-mail configurations key during the pandemic to create large scale connects for a population group that was most impacted by the disconnect.

When stay-at-home orders were rolled out across the U.S. to stop the spread, millions of Americans were left furloughed or laid-off, and without any certainty of when they would be back to work. States faced a tremendous challenge in disbursing unemployment benefits to a large pool of people, with state IT systems unable to keep pace. TCS stepped up to offer its technology and consulting services pro-bono to improve performance and capacity of benefits systems of New York State while enabling the processing of 140,000 unemployment claims during the lockdown. Also, see the story of how TCS developed a standalone system to help the State of Connecticut disburse pandemic

unemployment assistance to gig workers and other independent contractors on Page 29 in this Report.

Bridging education gaps

Virtual learning became an essential service during the pandemic. Across the globe, there were over a billion students putting their varying degrees of digital skills to the test in an effort to keep themselves safe yet connected. At the same time, access to at-work skills remained a distant possibility for marginalized youth. Acknowledging this critical gap, TCS created support systems for learners of all ages, educators and parents to make a seamless transition to remote and online learning.

A digital pivot for TCS' strategic programs, Ignite My Future in School, goIT and Youth Employment, ensured that learning continued even if it could not take place in person. **TCS Cares** and **TCS Yoga**, designed to engage the company's global workforce, were also integrated into the program design of its employment programs in India to ensure much needed support to students in managing the negative impacts to their overall well-being during the pandemic.

TCS' proprietary iON Digital Glass Room was opened up for any educational institution across the globe to utilize free of cost for the entire academic year. Over 23,000 institutions leveraged the platform to support their educational needs. A 5-day self-paced digital certification program, **Career Edge**, was also specially designed and offered at no cost to university students and working professionals to enhance their digital skills during lockdowns.

Where access to virtual learning was disrupted, TCS' programs offered distant learning activities and addressed the digital divide through computer donations to underserved students in the U.K., Singapore, Netherlands and Hungary.



Rodney Crouse, a middle school teacher in North Carolina and TCS' Ignite My Future in School Learning Leader realized quickly this year that computational thinking strategies will help his students remain engaged during distance learning. By integrating the simple strategies that he learnt from the program, Rodney has found that students who were struggling to stay engaged were now taking an initiative.

Today, Rodney collaborates with educators from Mexico, Canada and the U.S. to help his students solve the global problem of Food Deserts. *"My kids are living in a food desert, so they are learning about where they live and how to solve a problem that affects their community. This project is relevant to all of their lives."*

While virtual learning facilitated continued education in a way that wouldn't have been possible a decade ago, at home education platforms were not without their own challenges. TCS created its **Edu VirtualAssist (EVA)** to support educators and parents struggling with common technical issues or just needing advice on how to get the most out of the virtual learning experience. EVA leveraged the expertise, skills and empathy of TCS' workforce to provide pro bono support to educators and parents across the globe.

Extending TCS' reach

One of the biggest challenges that impacted rural India during the pandemic was the lack of connectivity. The digital divide created an unprecedented lack of access to basic services rendering several marginalized groups at risk. Digital entrepreneurs of TCS' flagship BridgeIT program became the "bridge" to connect communities to critical services that had all gone virtual. New services within the CSC platform, such as tele-law and tele-health, were delivered via these entrepreneurs. They also provided access to emergency ambulance services and food for those below the poverty line in rural regions and distributed health materials, over 6,000 masks, food and protective equipment to over 200,000 households. From April to August, the months of highest impact these services supported more than 157,000 people across India. BridgeIT

also leveraged its partner network to provide access to masks, food, and protective equipment to over 180,000 households in Raichur, Karnataka.

TCS' Youth Employment Program, additionally, expanded its reach during the pandemic to support training for marginalized populations in states such as Arunachal Pradesh, Himachal Pradesh, Haryana and Ladakh.

The company's work with social entrepreneurs who have scaled the solutions incubated by the Digital Impact Square, a TCS Foundation Initiative, served more than 3.8 Million people in India. Solutions like a vehicle e-pass system allowed essential and authorized services to work smoothly during the lockdown and MahaKavach, helped health authorities in tracking quarantined patients in Maharashtra, India in turn supporting the management of the spread of the disease in critical states.

Awards and Accolades for Social Capital

- Named as one of America's Most Community-Minded Information Technology Companies for the fourth consecutive year, and as Technology Sector Leader for the third year, in the Civic 50 by Points of Light, the world's largest organization dedicated to volunteer service.
- Recognized among Asia's Best Companies 2020 for Best Environmental Stewardship and Most Committed to Social Causes by FinanceAsia.
- Named the 2020 Corporate Citizen of the Year by Economic Times for demonstrating a deep commitment to society.
- Won the 2020 Stevie Gold Award for Best CSR Strategy in Canada.
- Awarded the 2020 CSR China Education Award by CSR China TOP 100 for its long-term commitment to STEM.
- Awarded by SHRM India for Excellence in Community Impact at the HR Excellence Awards 2020.
- Received an APEX award from Global Compact Network Singapore for Sustainable Solutions in recognition of TCS' Care Seniors Program in Singapore.
- Recognized for its work with Million Women Mentors at the 17th Annual Innovations in Diversity & Inclusion Awards.

Business Responsibility Report

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

Section A: General information about the company

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

2. **Name of the Company:** *Tata Consultancy Services Limited*

3. **Registered address:** *9th Floor, Nirmal Building, Nariman Point, Mumbai - 400 021, India*

4. **Website:** *www.tcs.com*

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

6. **Financial Year reported:** *April 1, 2020 to March 31, 2021*

7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** *ITC CODE: 85249009 Product Description: Computer Software*

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):** *Consulting and Service Integration, Digital Transformation Services and Cognitive Business Operations.*

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

   (a) Number of International Locations (Provide details of major 5): 76 delivery centres

   Breakup for the top 5 regions is as below:

Region	# of Delivery Centers
UK and Ireland	20
North America	19
Latin America	19
Asia Pacific	10
Europe	7
MEA	1

   (b) Number of National Locations: 107

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

Section B: Financial details of the company

1. **Paid up Capital (INR):** *370 crores*
2. **Total Turnover (INR):** *164,177 crores*
3. **Total profit after taxes (INR):** *32,430 crores*
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** *2.03% of average net profit for previous three years in respect of standalone TCS (India Initiatives only)*
5. **List of activities in which expenditure in 4 above has been incurred:**

Category (CSR in India only)	₹ crore
Disaster Relief - COVID 19	273
Education, Skilling, Employment, Entrepreneurship	28
Health, Wellness and Water, Sanitation and Hygiene (WASH)	22
Heritage	1
Contribution to Foundations/Trusts	350
Total	**674**

Including overseas spend, the Company's total spending on Corporate Social Responsibility is ₹ 737 crore

Section C: Other details

1. **Does the Company have any Subsidiary Company/ Companies?** *Yes*
2. **Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):** *Yes, 49 subsidiaries participated*
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]** *No.*

Section D: BR information

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

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

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

DIN Number	Name	Designation
00121863	N Chandrasekaran	Chairman
00548091	O P Bhatt	Independent Director
07006215	N Ganapathy Subramaniam	Chief Operating Officer

(b) Details of the BR head

Name: Milind Lakkad
Designation: Chief Human Resources Officer
Telephone number: 022 67789999
E-mail id: corporate.sustainability@tcs.com

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

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

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

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

P3 Businesses should promote the wellbeing of all employees

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

P5 Businesses should respect and promote human rights

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

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

P8 Businesses should support inclusive growth and equitable development

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

S. N.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? Indicate the link for the policy to be viewed online?	Y*	Y*	Y*	Y**	Y*	Y***	Y*	Y*	Y*
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

S. N.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	N	Y	N	N	Y	N	N	Y

* TATA Code of Conduct (https://on.tcs.com/Tata-Code-Of-Conduct)

** CSR Policy (https://on.tcs.com/Global-CSR-Policy)

*** Environment Policy (https://on.tcs.com/Environmental-Policy)

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: *7 Board Meetings were held during the year.*

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? *Yes, the Company publishes a Sustainability Report every year as part of the Integrated Annual Report. The hyperlink is: https://on.tcs.com/Annual-Report-2021*

Section E: Principle wise performance

Principle 1

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

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

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so: *In FY 2021, 184 concerns from various stakeholders were received via various channels. Of these, 167 (91%) were satisfactorily resolved as on March 31, 2021, and the remaining concerns are a work in progress to be resolved following due processes.*

Principle 2

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

   1. *TCS Evirozone™ is a suite of products designed with environmental sustainability as a central focus for the Consumer and Packaged Goods industry. This includes:*

      - ***TCS Envirozone™O-Zone for Responsible Sourcing.*** *O-Zone brings a holistic view to manage supply chain sustainability risks by tracking and mitigating water stress, food toxicity, climate and social risks from a complex network of suppliers upstream.*
      - ***TCS Envirozone™ iCloseLoop*** *– This is a Recycling Marketplace that helps in achieving a unified view of the journey towards sustainable packaging and a circular economy. It serves as an input to strategic decisions on product packaging and extended producer responsibility.*
      - ***TCS Envirozone™ Net-Zero*** *– Net-Zero is a Carbon Management Solution that enables accounting and management of value chain emissions for better visibility on climate risk. It also enables stakeholders' engagement for shared ownership of carbon mitigation programs.*

   2. ***Digital Farming Initiative (DFI):*** *TCS' Digital Farming Initiative is a platform that personalizes data support to the level of each farmer and field. It hopes to transform the complete supply chain of the agri eco-system through the application of innovative protocol-centric, data-driven, "Sky-Earth" convergence technologies, thereby improve farmer livelihoods. It also works through creation of rural nuclei of growth called PRIDEs (Progressive Rural Integrated Digital Enterprises).*

   3. ***Virtual HABilitation (VHAB) -*** *TCS' VHAB aims at providing a full-fledged application platform for children having difficulties in limb, muscular movements and general behavioral traits. A cost efficient solution built on gesture reality, leap motion and virtual reality platforms that builds a personalized suite of exercises for various kinds of movements for hands, legs and palms, that are fun, interactive and ensure development*

2. **For each such product, provide the following details in respect of resource used (Energy, Water, Raw material etc.) per unit of product (optional)**

   a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

      - ***Envirozone™:*** *This is a digital product, therefore not applicable.*
      - ***Digital Farming Initiative:*** *Not Applicable*
      - ***Virtual HABilitation (VHAB) –*** *Not Applicable*

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

      Envirozone™: *The products listed above are TCS' new digital offerings that enable better environmental, social and governance (ESG) performance for the Company's customers. These solutions have proven ability to better manage ESG risk and accelerate its customers' sustainability journeys towards responsible sourcing, net-zero carbon, circular economy, and brand neutrality. Each customer's journey has been different; but ESG performance has improved in each case.*

      Digital Farming Initiative *The following improvements have been achieved with respect to environmental impact:*

      - *Reduction in chemicals usage (20 kgs/hectare): 50,400 tons*

- *Reduction methane and CO2 emissions: 7,500 tons/year*
- *Reduction in water usage: 2.4million litres/season*
- *Reduction in electricity usage: 1million units/year*

Virtual HABilitation (VHAB) – *Not Applicable*

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

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

   TCS' suppliers sign the Supplier Code of Conduct and the Tata Code of Conduct. The Company's policy on supply chain sustainability can be found here: https://on.tcs.com/Sustainable-Supply-Chain-Policy

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

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   While the criteria for selection of goods and services is quality, reliability and price, TCS gives preference to small organisations, particularly promoted by entrepreneurs from socially backward communities. TCS has conducted a value stream mapping of their manufacturing lines, identified opportunities for process and productivity improvements and facilitated capacity planning. TCS has also supported suppliers to meet their raw material / hardware purchasing needs from Tier II suppliers. This has helped the suppliers to improve their own capacity.

   TCS has played a key role in enhancing Small and Medium Enterprises' manufacturing capability by identifying gaps in the process as compared to customer processes and supporting the SME by training and handholding to overcome those gaps. One example of supporting these key activities is by helping the supplier create a specific FAI (First Article Inspection) process so that components can be developed and inspected in record time and shipped to customer.

   Beyond the company's own procurement system, TCS is increasing the capacity of Self Help Groups and entrepreneurs through its BridgeIT and Adult Literacy programs and community investments.

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

   Yes. For more details please refer to FY 2021 Performance Overview: Natural Capital which forms part of this Integrated Annual Report

Principle 3

1. **Please indicate the Total number of employees:** *488,649 as on March 31, 2021*
2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis:** *18,259 as on March 31, 2021*
3. **Please indicate the Number of permanent women employees:** *178,357 as on March 31, 2021*
4. **Please indicate the Number of permanent employees with disabilities:** *825 as on March 31, 2021*

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

6. **What percentage of your permanent employees are members of this recognized employee association?** *0.03% (For India)*

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:**

   The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder.

   During FY 2021, the Company has received 27 complaints of sexual harassment, out of which 19 complaints have been resolved with appropriate action taken and 8 complaints remain pending as on March 31, 2021. Internal review is under progress for the pending complaints, following due process.

   There have been no complaints in other areas.

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

   (a) Permanent Employees – 99.7%

   (b) Permanent Women Employees – 99.7%

   (c) Casual/Temporary/Contractual Employees – 78.3%

   (d) Employees with Disabilities - 99.4%

Principle 4

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

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

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so:**
   Yes. Please refer to the section on FY 2021 Performance Overview: Social Capital in this Integrated Annual Report for details on the Company's Adult Literacy Program, Bridge IT, Youth Employment programs among others.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?**
   The principles stated in the Company's code and policies which include respect for human rights and dignity of all stakeholders, extend to the group, joint ventures, suppliers and all those who work with TCS.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   No material concern related to violation of fundamental human rights of individuals was received during the financial year.

Principle 6

1) **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**
The policy is applicable to TCS, its subsidiaries and vendors.

2) **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc:**
Yes.. Please refer to the section on FY 2021 Performance Overview: Natural Capital in this Integrated Annual Report and https://www.tcs.com/sustainability-strategy. TCS' Environmental Policy is available on https://on.tcs.com/Environmental-Policy

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

4) **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
Not Applicable

5) **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
Yes. Please refer to the section on FY 2021 Performance Overview: Natural Capital in this Integrated Annual Report.

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

7) **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.** *None*

Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
Yes. National Association of Software and Services Companies (NASSCOM), Confederation of Indian Industries (CII), Federation of India Chambers of Commerce and Industry (FICCI), US India Business Council (USIBC), US Chamber of Commerce and Confederation of British Industry (CBI).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):**
Yes. TCS participated in consultations on governance and administration, sustainable business principles, inclusive development policies (with a focus on skill building and literacy), economic reforms and tax and other legislations. TCS uses the Tata Code of Conduct as a guide for its actions in influencing public and regulatory policy.

Principle 8

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof?**
Yes. Please refer to the preceding section on FY 2021 Performance Overview: Social Capital in this Integrated Annual Report.

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

3. **Have you done any impact assessment of your initiative?**
TCS has been conducting internal impact assessments to monitor and evaluate its strategic CSR programs. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014 and has initiated steps to conduct impact assessment of CSR projects through an independent agency. There are no projects undertaken or completed after 22nd January 2021, for which the impact assessment report is applicable in FY 2021.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**
₹737 crore, including overseas spend. For more details, please refer to Annexure II of Directors' Report in this Integrated Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
Yes.The CSR initiatives of the Company are executed by a skilled team who ensure impact-focused implementation, monitoring, and reporting. Successful adoption of programs is evidenced by the following impact achieved, till date, in its strategic programs:

- *23,800 rural youth employed through Youth Employment Program*
- *325,000 villagers supported with digital services by 466 BridgeIT entrepreneurs*
- *1.07 million individuals, including over 70,000 prison inmates, made literate though the Adult Literacy Program*

Please refer to the section on FY 2021 Performance Overview: Social Capital in this Integrated Annual Report for further details.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
5.8% complaints are pending resolution as on March 31, 2021.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information):**
Not Applicable

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so:**
No

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

FY 2021 PERFORMANCE OVERVIEW: NATURAL CAPITAL

TCS' approach to sustainable growth is built on the belief that it can strengthen its business while also valuing the environment and its ecosystem. TCS is in a unique position to combine its heritage of purpose along with digital leadership and innovation to drive its own journey to more sustainable outcomes, as well as partner with customers, civil society and governments to lead and shape solutions towards the achievement of the UN Sustainable Development Goals.

TCS' leadership commitment builds on the significant progress it has already made in reducing its environmental footprint. It is driven by the belief that business success and sustainability-driven decisions are one and the same thing for a future-fit business, and banks on the passion of its employees, shareholders, suppliers, and customers to support its progress on this journey. TCS is focused on harnessing its core business capabilities to lead and influence change with its primary stakeholders across four key areas:

- **Accelerating TCS' journey towards net zero**: Having achieved the previous target of halving the specific carbon footprint by 2020[27] (versus baseline year FY 2008) ahead of schedule, the Company has set a new carbon reduction target. It commits to reduce absolute Scope 1 + Scope 2 greenhouse gas emissions by 70% by 2025 over a 2016 base year. It aspires to achieve net-zero emissions by 2030. Key strategies include energy efficiency across operations, expanded use of renewable energy sources, working with supply chain partners to reduce value chain emissions and optimizing business air travel and employee commutes. The Company's Vision 25x25 is a strategic lever which will enable achieving this aspiration, along with carbon removal offsets. Further, the Company has identified two markets and two delivery centers where it will become carbon neutral before the close of FY 2022.

- **Influencing and enabling future generations:** TCS is one of the largest creators of skilled jobs globally. It encourages students to build the skills and confidence to pursue STEM education and careers and become tomorrow's technology and business leaders. It is committed to imparting digital skills and capabilities to at least 5 million youths by 2025. Another initiative to inspire and empower young minds to solve real-world environmental problems through digital technology was launched at TCS' first Sustainathon in Singapore in 2020. The challenge focused on solutions for food waste management which amplified the critical role that sustainability and success of the UN SDGs play in the creation of a better future.

- **Partnering with customers for more sustainable outcomes:** Beyond its own footprint, TCS is actively engaged with customers and partners to help shape and deliver their journey to more sustainable and future-fit businesses. It sees greater potential in enabling efficiencies and climate action through its digital solutions for customers, higher than what it can accomplish within its own organizational boundaries. TCS offers digital solutions that use cutting edge technologies for intelligent energy management that reduces energy consumption, evaluation of portfolio climate risks for decision making, GreenIT, logistics route optimization, scope 1, 2 & 3 carbon emission foot printing and enabling blockchain-based Renewable Energy Certificate marketplaces. In addition, it plans to partner with customers strategically to deliver carbon neutral operations together.

[27] In the past years, TCS has successfully reduced its specific energy consumption in kWh/FTE by over 60% in FY 2020 over the baseline year FY 2008, and brought down its specific carbon footprint from Scope 1 and Scope 2 from 3 tCO2/FTE in FY 2008 to 1.15 tCO2e/FTE in FY 2020, a reduction of 61.6%.

- **Empowering employees to lead the change:** To harness the energy of millennial employees who also have high levels of social and environmental awareness, TCS plans to involve them as part of incubation teams that rethink the business models and operations of today, and also increase their self-awareness of their role as change agents through awareness/training and action. The Company has launched programs to influence conscious choices as individuals and families, and facilitate measurement and monitoring of an individual's ecological footprint.

Key Focus Areas

The four key focus areas of the Company's environmental strategy are:

- **Energy management:** Energy efficiency through green infrastructure and operational efficiency
- **Carbon footprint reduction:** Maximizing energy efficiency and use of renewable energy
- **Water management:** Efficient use, recycling and rainwater harvesting
- **Waste management:** Reduction, Reuse and Recycling

TCS is certified under the ISO 14001:2015 Environmental Management System (EMS) standard, across 120 locations globally. The management system has integrated environmental (including climate change) risks and opportunities with TCS' business strategy. The company measures, manages and reports on energy, carbon, water and waste – the most material environmental aspects of its operations.

Impact of SWBS™

The company's environmental footprint was significantly reduced in FY 2021 due to the large-scale switch to remote working, enabled by the Secure Borderless Workspaces operating model. With over 96% of employees working from home throughout the year, resource consumption, emissions and wastes were significantly lower across all the parameters. However, despite the low occupancy rates of 3-4%, utilities across facilities had to be run at base load to ensure the overall health of the facility and systems. Moreover, the data centers supporting connectivity from home had to be operated as usual, and consumed the usual level of energy. Consequently, resource consumption reduced to the tune of 40% to 50% despite the low physical occupancy.

Low quantities of food waste were generated as canteens and food services were operating at a bare minimum. Air travel and employee commutes were extremely limited and hence the carbon footprint associated with them also reduced significantly.

Managing the Carbon Footprint[28]

TCS has embraced the precautionary principle and recognized carbon footprint mitigation and energy optimization as a high priority area[29]. With an operational footprint that consists largely of campuses of office blocks for the delivery organization, and sales offices, direct emissions from operations – also referred to as Scope 1 emissions – are a very small part of the company's carbon footprint, amounting to just 8% of the overall carbon footprint. The rest is made up of indirect emissions, referred to as Scope 2 emissions, associated with purchased electricity[30].

Due to the pandemic, all energy utilities had to be operated at base load for cooling and lighting systems, data centers and server rooms, to optimize the energy use. The absolute energy consumption is down by 46.6% YoY and absolute carbon footprint

[28] 103-2, 103-3

[29] 102-11; Earliest reference on Page 5, TCS Corporate Sustainability Report 2006-07

[30] 302-1, In FY 2021, TCS consumed 292 GWh of electricity of which 15.6% was from renewable sources, ~1% from onsite utilities and the remaining was purchased electricity. Total direct energy used was 0.04 Million GJ and total direct plus indirect energy used was 1.04 million GJ. The total electricity consumed, as well as direct energy usage, has gone down, due to lockdowns.

(Scope 1 + Scope 2)[31] is down by 48.8% YoY[32]. TCS' estimated[33] specific greenhouse gas emission (Scope 1 + Scope 2) was 0.54 tCO2e/ FTE/Annum in the current reporting year, a reduction of 53% Y-O-Y. The specific carbon footprint data is presented for the sake of continuity and is not comparable with the prior years.

The Path to Energy Efficiency[34]

Addition of more green buildings to the company's real estate portfolio, installing roof top solar power plants across campuses, optimizing IT system power usage, upgrading legacy equipment with state-of-the-art technology, and improving operational efficiency through the inhouse-built, IoT-based Remote Energy Management System has helped reduce the specific energy consumption year on year. This reduction has been despite the growth in employees, commissioning of new facilities and ramping up within existing facilities.

Over 60% of the total office space currently occupied by TCS in India is designed as per the Leadership in Energy and Environmental Design (LEED) green building standards. In FY 2021, the company added more rooftop solar, taking the total on-site roof top solar capacity across its campuses to 8.1 MWp. This increased the solar electricity generation capacity to 11 million units within campuses. The total renewable energy quantum including on-site rooftop and third-party power purchase agreements is about 45.5 million units in FY 2021, which is about 15.6% of the total energy mix. On-site rooftop solar contributed about 2.5% of the total electricity mix.

In FY 2021, solar photo voltaic cells technology was upgraded from polycrystalline solar panels to monocrystalline PERC technology panels. This helped to improve the project capacity and power generation by 13% and 17% respectively in the same given rooftop space. An elevated solar installation was successfully piloted around the lake area at Synergy park campus in Hyderabad to utilize the cooling effect of water on solar panels.

Data center power management initiatives helped achieve the target power utilization efficiency (PUE) of 1.65 at 21 Data Centers and reduce weighted average PUE of 23 Data Centers to 1.66 this year from 2.54 in 2014. An additional 44 Data centers were also taken up and the weighted average PUE of all DCs reduced to 1.77 this year from 2.4 in 2017. The key enablers have been green data center practices leveraging technologies like modular UPS, cold aisle containment, in-row cooling and rear door heat exchanger with water cooled rack. The rack per user ratio was also improved. There is a shift towards use of servers that enable high degree of virtualized hosting capability on smaller physical footprint and thus reduce the overall requirement for space, power and cooling.

As the established standard operating procedures were recalibrated on the basis of the base load for cooling and lighting systems, data centers and server rooms, to optimize energy use; the investments made in the IoT based energy management platform and the energy operations command center paid good dividends. The cognitive AI / ML based algorithms came into play and were able to quickly define a 'new normal' consumption profile based on the significantly reduced activities. With this, the energy analysts at the command center were able to get insights on possible areas of additional optimization during the COVID-19 period.

[31] Scope 1 emissions have been calculated using the emissions factors published by the GHG (greenhouse) Protocol All Sector Tools version released in 2017. For Scope 2 emissions – that is, purchased electricity-related carbon emissions – for India, the source is the emissions factor in the CO2 Baseline Database for the Indian Power Sector, User Guide, Version 15.0, Dec 2019, published by the Central Electricity Authority of India. For Scope 2 emissions of locations other than India, IEA emission factors 2020 have been used.

[32] 305-1, 210,278 tCO2e in FY 2021 vs 410,971 tCO2e in FY 2020

[33] Based on actual carbon footprint and notional headcount associated with each center, assuming FTE growth in line with overall net headcount addition.

[34] 103-2, 103-3

Cooling and lighting were aligned, in a continuous manner, to the reduced operations demand. Base load requirements (UPS, cooling, etc) were analysed in the context of the new normal and optimized through initiatives such as consolidation of hub rooms, consolidation of workspaces within many of the operational facilities, and consolidation of facilities. Once the optimizations were achieved, the consumption at the appropriate levels of granularity were continuously monitored through automated alerts, to ensure that any consumption leakages were immediately identified and addressed. The company has saved ~0.4 million units of electricity through UPS and server rooms consolidation.

ISO 50001:2018 Energy Management System certification audits were successfully extended at four campuses in India in FY 2021, taking the total count of certified locations to five. Synergy Park - Hyderabad, TCS Center - Kochi, Garima Park - Ahmedabad and Siruseri - Chennai have been recommended for new certification and Sahayadri Park - Pune has been recommended for continuation of certification.

Other Emissions

Emissions of Ozone-depleting substances primarily occur during operation and maintenance of air conditioning systems in the form of system losses or fugitive emissions. TCS is committed to using zero-ozone depleting potential (ODP) refrigerants in its operations. New facilities have HVAC systems based on zero-ODP refrigerants as well as a low Global Warming Potential (GWP). All ODP refrigerant gases will be phased out and replaced with zero-ODP refrigerants, in line with country-specific timelines agreed to as per the Montreal Protocol and local regulations.

Value Chain Emissions

All other indirect emissions are accounted by TCS as Scope 3 emissions. These are also known as value chain emissions because they are caused by sources not owned or controlled by TCS but are relevant to its operations and in its value chain. The company estimates that value chain emissions amounted to 234,615 tCO2e, which is 0.50 tCO2e per FTE in FY 2021, by applying an expansive boundary and using standard Scope 3 emission factors.

Low occupancy in offices and significantly reduced business travel and employee commuting has resulted in a reduction in the Scope 3 emissions. The largest contributors in earlier reporting years, amounting to ~60%, were business travel intrinsic to the consultancy business model, and daily workplace commutes of employees. Both these categories saw a reduction of more than 95% in FY 2021. TCS' investment in superior communications, remote connectivity and data security to promote greater collaboration in the new normal has ensured seamless business communication despite constraints on in-person meetings and business discussions.

Water Conservation[35]

TCS optimizes water consumption through conservation, sewage treatment and reuse, and rainwater harvesting. All new campuses have been designed for 50% higher water efficiency, 100% treatment and recycling of sewage, and rainwater harvesting. Employee engagement also plays a big role in the company's water sustainability strategy.

In FY 2021, TCS consumed 1.4 million kL[36] of fresh water. Out of this, 73% was from municipal sources, 13% from third party suppliers, 8% from groundwater and 6% from rainwater harvested at the campuses. Absolute water consumption was 63.9% lower in FY 2021 as compared to FY 2020. The focus had been on restricting the use of water for maintenance and upkeep of the offices. On-campus sewage treatment plants were run at below capacity to ensure the sewage is treated and recycled. Total treated sewage recycled as a percentage of the total sewage generated was ~54% in FY 2021[37].

[35] 103-2, 103-3
[36] 303-3
[37] 306-1

The company continues to pursue groundwater replenishment initiatives through on-campus rainwater harvesting systems, and community water shed management projects. TCS continues to support initiatives on surface water body rejuvenation at Siruseri in Chennai, Kasalganga in Solapur and Malguzari ponds in Vidarbha.

Waste Reduction and Reuse

As an IT services and consulting organization, TCS' facilities mostly generate electronic, electrical, and municipal solid waste. Potentially hazardous and regulated wastes such as lead-acid batteries and waste lube oil are generated in relatively smaller proportions. The waste generation across all waste categories reduced due to the limited operations in FY 2021.

TCS is committed to sustain the best practices that have already been institutionalized like segregation of all recyclable wastes, 100% compliance to management practices for regulated wastes like hazardous and e-waste and 100% recycling on printer and toner cartridges, paper and packaging wastes. TCS aspires to improve the waste management practices and achieve 100% onsite treatment of food waste. The aim is to divert all garden waste to composting to generate organic manure. Elimination of single-use plastics across campuses and recycling of all recyclable plastic wastes remain as focus areas.

Biodegradable waste is treated onsite for biogas recovery or manure generation through bio-digesters or composting. All TCS campuses, owned offices and leased offices that have the required space have been provided with on-site food waste management facilities. In FY 2021, due to low quantities of waste generated, the waste management systems could not be operated optimally as they are designed for higher capacity. Small organic waste handling units were piloted for use across leased locations which are space constrained. Over 162 tons of compost were generated in FY 2021, reducing the need for chemical fertilizers and the resultant soil and groundwater pollution.

Employee Engagement

TCS observed the Tata Sustainability Month in June'20, featuring a fully digital campaign on the theme 'Time for Nature' consisting of multiple online contests, live sessions, webinars with eminent speakers on topics related to conservation and environment, and multiple blogs on TCS internal social media platform to sensitize associates and share knowledge on the topic. Over 9,000 employees participated in this campaign.

The year-round calendar for engaging with employees to create environmental awareness included themes aligned with the World Bio-diversity Day, World Environment Week, World Ozone Day, Green Consumer Day, World Wildlife Week, Pollution Control Day, Energy Conservation Day, World Water Day and the Earth Hour campaign.

The company's purpose-driven worldview inspires many employees to undertake volunteering in their local communities around environmental themes. This year, associates innovated and engaged in activities in their homes and neighborhood to keep up the spirit of care for environment. Employees grew plants and trees in and around their homes with their families. Some took up urban farming assisted by a phygital workshop on 'how to grow your own food'. Green consumerism through a stronger focus on 'buy local' saw traction among associates.

Consolidated Financial Statements



Independent Auditors' Report

To the Members of
Tata Consultancy Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tata Consultancy Services Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the 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 consolidated state of affairs of the Group as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India, and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Key audit matters	How our audit addressed the key audit matter
Revenue recognition– Fixed price contracts	
The Group 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 Group's estimate of contract costs (Refer Note 5(a) and Note 12 to the consolidated financial statements). We identified revenue recognition of fixed price contracts as a Key Audit Matter since – • 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; • 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; • these contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Group; and • at year-end, significant amount of work in progress (Contract assets), related to these contracts are recognised on the balance sheet.	Our audit procedures included the following: • Obtained an understanding of the systems, processes and controls implemented by the Group for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances. • Including involvement of our Information technology ('IT') specialists, as required: ➢ Assessed the IT environment in which the business systems operate and tested system controls over computation of revenue recognised; ➢ Tested the IT controls over appropriateness of cost and revenue reports generated by the system; ➢ Tested the controls pertaining to allocation of resources and budgeting systems which prevent the unauthorized recording/changes to costs incurred; and ➢ Tested on a random sampling basis the controls relating to the estimation of contract costs required to complete the respective projects. • On selected specific and statistical samples of contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard – ➢ Evaluated the identification of performance obligations and the ascribed transaction price; ➢ Tested the Group's computation of the estimation of contract costs and onerous obligations, if any. We: • assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management personnel; • 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; • 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 • inspected underlying documents and performed analytics to determine reasonableness of contract costs.

Key audit matters	How our audit addressed the key audit matter
Evaluation of key tax matters	
The Group operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant judgment by the Group to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the consolidated financial statements. Refer Note 5(e) and Note 20 to the consolidated financial statements.	Our audit procedures included the following: • Understood, assessed and tested the design, implementation and operating effectiveness of key controls over taxes; • Obtained an understanding of key tax matters; • The audit team, along with our internal tax experts - ➢ read and analysed select key correspondences, external legal opinions/ consultations obtained by the Group for key tax matters; ➢ evaluated and challenged key assumptions made by the Group in estimating the current and deferred tax balances; ➢ assessed and challenged the Group's estimate of the possible outcome of the disputed cases by considering legal precedence and other judicial rulings; and ➢ Assessed and tested the presentation and disclosures relating to taxes in the consolidated financial statements.
Assessment of provision towards legal claim	
Refer to Note 5(f) to the consolidated financial statements – "Use of estimates and judgements – Provisions and contingent liabilities" and Note 20 to the consolidated financial statements – "Commitments and contingencies"	Our audit procedures included the following: • obtained management assessment on the litigation along with the communications made to the Board of Directors and regulators;

Key audit matters	How our audit addressed the key audit matter
The Group has ongoing legal proceedings with Epic Systems Corporation (referred to as Epic), for alleged unauthorised access to and download of Epic's confidential information and use thereof in the development of the Company's product MedMantra. The Company in the current year has recorded a provision of ₹1,218 crore (US $165 million) towards this legal claim in its 'Consolidated Statement of Profit and Loss'. This has been presented as an "exceptional item" in the Consolidated Statement of Profit and Loss. Due to the complexity involved in this litigation, the Group applied judgement in measuring and recognizing provision towards the legal claim. This process involved an evaluation based on judicial precedents and views shared by the lawyers (external and internal) of the Group and detailed deliberations with the Group's senior management. Accordingly, it has been considered as a key audit matter.	• read and considered final orders by various courts on this matter; • read and considered all available submissions filed by both Epic and the Group to various courts till date; • considered legal views obtained by the Group from external law firms and the relevant judicial precedents considered by the Group in their assessment of provision towards this legal claim; • conducted detailed discussions with in-house legal head and Group's senior management, to understand their assessment on the most likely outcome of this litigation and to understand the basis considered for the provision towards this legal claim; and • assessed the adequacy of provision recorded and evaluated disclosures in the consolidated financial statements in relation to this legal claim.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

The respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of each entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 consolidated 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors of the Holding Company.

- Conclude on the appropriateness of management's and Board of Director's of the Holding Company use of the going concern basis of accounting in preparation of consolidated 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 appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Report on Other Legal and Regulatory Requirements

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

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

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

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31 March 2021, none of the directors of the Group's companies incorporated in India is disqualified as on 31 March 2021 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 consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

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

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 20 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealing in specified banks notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, 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
Partner
Membership No: 060154
UDIN: 21060154AAAAAV1547

Bengaluru
12 April 2021

Annexure A to the Independent Auditors' Report on the consolidated financial statements of Tata Consultancy Services Limited for the year ended 31 March 2021

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Opinion

In conjunction with our audit of the consolidated financial statements of Tata Consultancy Services Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Amit Somani
Partner
Membership No: 060154
UDIN: 21060154AAAAAV1547

Bengaluru
12 April 2021

Consolidated Balance Sheet

(₹ crore)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	10(a)	11,110	10,941
Capital work-in-progress	10(a)	926	906
Right-of-use assets	9	7,633	7,994
Goodwill	10(b)	1,798	1,710
Other intangible assets	10(c)	480	283
Financial assets			
Investments	8(a)	213	216
Trade receivables	8(b)	55	74
Unbilled receivables		273	324
Loans	8(e)	29	29
Other financial assets	8(f)	1,573	1,184
Income tax assets (net)		1,845	2,462
Deferred tax assets (net)	17	3,931	2,828
Other assets	10(d)	1,613	1,711
Total non-current assets		**31,479**	**30,662**
Current assets			
Inventories	10(e)	8	5
Financial assets			
Investments	8(a)	29,160	26,140
Trade receivables	8(b)	30,079	30,532
Unbilled receivables		6,583	5,732
Cash and cash equivalents	8(c)	6,858	8,646
Other balances with banks	8(d)	2,471	1,020
Loans	8(e)	11,472	8,475
Other financial assets	8(f)	1,394	1,473
Income tax assets (net)		19	8
Other assets	10(d)	11,236	8,206
Total current assets		**99,280**	**90,237**
TOTAL ASSETS		**1,30,759**	**1,20,899**
EQUITY AND LIABILITIES			
Equity			
Share capital	8(l)	370	375
Other equity	11	86,063	83,751
Equity attributable to shareholders of the Company		**86,433**	**84,126**
Non-controlling interests		675	623
Total equity		**87,108**	**84,749**

Consolidated Balance Sheet

(₹ crore)

	Note	As at March 31, 2021	As at March 31, 2020
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		6,503	6,906
Other financial liabilities	8(g)	280	291
Unearned and deferred revenue		1,197	697
Employee benefit obligations	14	749	417
Deferred tax liabilities (net)	17	767	779
Total non-current liabilities		**9,496**	**9,090**
Current liabilities			
Financial liabilities			
Lease liabilities		1,292	1,268
Trade payables		7,860	6,740
Other financial liabilities	8(g)	6,150	6,100
Unearned and deferred revenue		3,650	2,915
Other liabilities	10(f)	4,068	3,283
Provisions	10(g)	1,394	293
Employee benefit obligations	14	3,498	2,749
Income tax liabilities (net)		6,243	3,712
Total current liabilities		**34,155**	**27,060**
TOTAL EQUITY AND LIABILITIES		**1,30,759**	**1,20,899**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached

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

Amit Somani
Partner
Membership No: 060154

Bengaluru, April 12, 2021

For and on behalf of the Board

Rajesh Gopinathan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 12, 2021

Consolidated Statement of Profit and Loss

(₹ crore)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	12	1,64,177	1,56,949
Other income	13	3,134	4,592
TOTAL INCOME		**1,67,311**	**1,61,541**
Expenses			
Employee benefit expenses	14	91,814	85,952
Cost of equipment and software licences	15(a)	1,462	1,905
Finance costs	16	637	924
Depreciation and amortisation expense		4,065	3,529
Other expenses	15(b)	24,355	26,983
TOTAL EXPENSES		**1,22,333**	**1,19,293**
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		**44,978**	**42,248**
Exceptional item			
Provision towards legal claim	20	1,218	-
PROFIT BEFORE TAX		**43,760**	**42,248**
Tax expense			
Current tax	17	11,635	10,378
Deferred tax	17	(437)	(577)
TOTAL TAX EXPENSE		**11,198**	**9,801**
PROFIT FOR THE YEAR		**32,562**	**32,447**

(₹ crore)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		(82)	(429)
Net change in fair values of investments in equity shares carried at fair value through OCI		(2)	(20)
Income tax on items that will not be reclassified subsequently to profit or loss		11	90
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		51	958
Net change in intrinsic value of derivatives designated as cash flow hedges		14	(94)
Net change in time value of derivatives designated as cash flow hedges		53	(52)
Exchange differences on translation of financial statements of foreign operations		448	326

(₹ crore)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Income tax on items that will be reclassified subsequently to profit or loss		(32)	(315)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**461**	**464**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**33,023**	**32,911**
Profit for the year attributable to:			
Shareholders of the Company		32,430	32,340
Non-controlling interests		132	107
		32,562	**32,447**
Other comprehensive income for the year attributable to:			
Shareholders of the Company		484	424
Non-controlling interests		(23)	40
		461	**464**
Total comprehensive income for the year attributable to:			
Shareholders of the Company		32,914	32,764
Non-controlling interests		109	147
		33,023	**32,911**
Earnings per equity share:- Basic and diluted (₹)	18	86.71	86.19
Weighted average number of equity shares		374,01,10,733	375,23,84,706

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached

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

Amit Somani
Partner
Membership No: 060154

Bengaluru, April 12, 2021

For and on behalf of the Board

Rajesh Gopinathan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 12, 2021

Consolidated Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crore)

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
375	-	375

(₹ crore)

Balance as at April 1, 2020	Changes in equity share capital during the year*	Balance as at March 31, 2021
375	(5)	370

*Refer note 8(I).

B. OTHER EQUITY

(₹ crore)

	Reserves and surplus						Items of other comprehensive income				Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
	Capital reserve	Capital redemption reserve	General reserve	Special Economic Zone re-investment reserve	Retained earnings	Statutory reserve	Investment revaluation reserve	Cash flow hedging reserve		Foreign currency translation reserve			
								Intrinsic value	Time value				
Balance as at April 1, 2019	**75**	**431**	**27**	**994**	**85,520**	**348**	**192**	**134**	**(30)**	**1,380**	**89,071**	**453**	**89,524**
Transition impact of Ind AS 116, net of tax	-	-	-	-	(357)	-	-	-	-	-	(357)	(2)	(359)
Restated balance as at April 1, 2019	**75**	**431**	**27**	**994**	**85,163**	**348**	**192**	**134**	**(30)**	**1,380**	**88,714**	**451**	**89,165**
Profit for the year	-	-	-	-	32,340	-	-	-	-	-	32,340	107	32,447
Other comprehensive income / (losses)	-	-	-	-	(339)	-	604	(89)	(38)	286	424	40	464
Total comprehensive income	**-**	**-**	**-**	**-**	**32,001**	**-**	**604**	**(89)**	**(38)**	**286**	**32,764**	**147**	**32,911**
Dividend (including tax on dividend of ₹5,742 crore)	-	-	-	-	(37,634)	-	-	-	-	-	(37,634)	(68)	(37,702)
Impact on purchase of non-controlling interests	-	-	-	-	(93)	-	-	-	-	-	(93)	93	-
Transfer to Special Economic Zone re-investment reserve	-	-	-	2,947	(2,947)	-	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	-	(2,347)	2,347	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	(27)	27	-	-	-	-	-	-	-
Balance as at March 31, 2020	**75**	**431**	**27**	**1,594**	**78,810**	**375**	**796**	**45**	**(68)**	**1,666**	**83,751**	**623**	**84,374**

Consolidated Statement of Changes in Equity

(₹ crore)

	Reserves and surplus						Items of other comprehensive income				Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
	Capital reserve	Capital redemption reserve	General reserve	Special Economic Zone re-investment reserve	Retained earnings	Statutory reserve	Investment revaluation reserve	Cash flow hedging reserve		Foreign currency translation reserve			
								Intrinsic value	Time value				
Balance as at April 1, 2020	**75**	**431**	**27**	**1,594**	**78,810**	**375**	**796**	**45**	**(68)**	**1,666**	**83,751**	**623**	**84,374**
Profit for the year	-	-	-	-	32,430	-	-	-	-	-	32,430	132	32,562
Other comprehensive income / (losses)	-	-	-	-	(71)	-	32	11	41	471	484	(23)	461
Total comprehensive income	**-**	**-**	**-**	**-**	**32,359**	**-**	**32**	**11**	**41**	**471**	**32,914**	**109**	**33,023**
Dividend	-	-	-	-	(10,850)	-	-	-	-	-	(10,850)	(57)	(10,907)
Expenses for buy-back of equity shares[1]	-	-	-	-	(31)	-	-	-	-	-	(31)	-	(31)
Tax on buy-back of equity shares[1]	-	-	-	-	(3,726)	-	-	-	-	-	(3,726)	-	(3,726)
Buy-back of equity shares[1]	-	5	-	-	(16,000)	-	-	-	-	-	(15,995)	-	(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	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	(32)	32	-	-	-	-	-	-	-
Balance as at March 31, 2021	**75**	**436**	**27**	**2,538**	**79,586**	**407**	**828**	**56**	**(27)**	**2,137**	**86,063**	**675**	**86,738**

[1]Refer note 8(I).

Total equity (primarily retained earnings) includes ₹1,366 crore and ₹1,258 crore as at March 31, 2021 and 2020, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Nature and purpose of reserves

a. Capital reserve

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

b. 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. General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from / to retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

d. 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 Group for acquiring new assets for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961.

e. Retained earnings

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

f. Statutory reserve

Statutory reserves are created to adhere to requirements of applicable laws.

g. 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.

h. 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.

i. Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached

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

Amit Somani
Partner
Membership No: 060154

Bengaluru, April 12, 2021

For and on behalf of the Board

Rajesh Gopinathan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 12, 2021

Consolidated Statement of Cash Flows

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	32,562	32,447
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation and amortisation expense	4,065	3,529
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	201	144
Provision towards legal claim (Refer note 20)	1,218	-
Tax expense	11,198	9,801
Net gain on lease modification	(100)	(14)
Unrealised foreign exchange gain	(21)	(117)
Net gain on disposal of property, plant and equipment	(13)	(46)
Net gain on investments	(204)	(214)
Interest income	(2,504)	(3,562)
Dividend income	(8)	(10)
Finance costs	637	924
Operating profit before working capital changes	**47,031**	**42,882**
Net change in		
Inventories	(3)	5
Trade receivables	1,260	(3,295)
Unbilled receivables	(201)	(508)
Loans and other financial assets	(17)	(2)
Other assets	(2,805)	(3,492)
Trade payables	(93)	446
Unearned and deferred revenue	1,091	375
Other financial liabilities	122	1,208
Other liabilities and provisions	1,509	596
Cash generated from operations	**47,894**	**38,215**
Taxes paid (net of refunds)	(9,092)	(5,846)
Net cash generated from operating activities	**38,802**	**32,369**
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	(6,605)	(7,663)
Inter-corporate deposits placed	(21,076)	(14,905)
Purchase of investments*	(54,462)	(80,002)
Payment for purchase of property, plant and equipment	(2,719)	(2,538)
Payment including advances for acquiring right-of-use assets	(101)	(519)
Payment for purchase of intangible assets	(356)	(192)
Proceeds from bank deposits	4,767	11,965
Proceeds from inter-corporate deposits	18,018	14,432
Proceeds from disposal / redemption of investments*	51,630	84,089
Proceeds from disposal of property, plant and equipment	37	161
Interest received	2,730	3,729
Dividend received	8	8
Net cash generated from / (used in) investing activities	**(8,129)**	**8,565**

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(1,336)	(1062)
Interest paid	(634)	(924)
Dividend paid (including tax on dividend in previous year)	(10,850)	(37,634)
Dividend paid to non-controlling interests (including tax on dividend in previous year)	(57)	(68)
Purchase of non-controlling interests	-	(227)
Transfer of funds to buy-back escrow account	(160)	-
Transfer of funds from buy-back escrow account	160	-
Expenses for buy-back of equity shares (Refer note 8(l))	(31)	-
Tax on buy-back of equity shares (Refer note 8(l))	(3,726)	-
Buy-back of equity shares (Refer note 8(l))	(16,000)	-
Net cash used in financing activities	**(32,634)**	**(39,915)**
Net change in cash and cash equivalents	**(1,961)**	**1,019**
Cash and cash equivalents at the beginning of the year	8,646	7,224
Exchange difference on translation of foreign currency cash and cash equivalents	173	403
Cash and cash equivalents at the end of the year (Refer note 8(c))	**6,858**	**8,646**

*Purchase of investments include ₹172 crore and ₹503 crore for the years ended March 31, 2021 and 2020, respectively, and proceeds from disposal / redemption of investments include ₹104 crore and ₹542 crore for the years ended March 31, 2021 and 2020, respectively, held by trusts and TCS Foundation held for specified purposes.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached

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

Amit Somani
Partner
Membership No: 060154

Bengaluru, April 12, 2021

For and on behalf of the Board

Rajesh Gopinathan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 12, 2021

1) Corporate information

Tata Consultancy Services Limited ("the Company") and its subsidiaries (collectively together with employee welfare trusts referred to as "the Group") provide IT services, consulting and business solutions and have been partnering with many of the world's largest businesses in their transformation journeys. The Group offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model recognised as a benchmark of excellence in software development.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai 400001. As at March 31, 2021, Tata Sons Private Limited, the holding company owned 72.16% of the Company's equity share capital.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2021 and authorised for issue on April 12, 2021.

2) Statement of compliance

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

3) Basis of preparation

These consolidated 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 Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, 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 Group are segregated. The Group 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.

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (₹). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the 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 consolidated financial statements have been discussed in the respective notes.

4) Basis of consolidation

The Company consolidates all entities which are controlled by it.

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

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

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

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

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

Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity. When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to statement of profit and loss as part of the gain or loss on disposal.

5) Use of estimates and judgements

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

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

The Group uses the following critical accounting estimates in preparation of its consolidated financial statements:

a. Revenue recognition

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

b. Useful lives of property, plant and equipment

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

c. Impairment of goodwill

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

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

g. Employee benefits

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

h. Leases

The Group 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 Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group 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 Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group 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 Group has taken into account all the possible impacts of COVID-19 in preparation of these consolidated 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 Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these consolidated financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19.

6) Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

7) Business combinations

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

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

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

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

8) Financial assets, financial liabilities and equity instruments

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

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

Cash and cash equivalents

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity instruments

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

Derivative accounting

- **Instruments in hedging relationship**

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

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

  The hedge instruments are designated and documented as hedges at the inception of the contract. The Group determines the existence of an economic relationship between the hedging instrument and hedged item

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

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

The Group separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the time value and intrinsic value of an option is recognised in other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit and loss. 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 Group enters into the 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 Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(a) Investments

Investments consist of the following:

Investments – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Investments designated at fair value through OCI		
Fully paid equity shares (unquoted)		
Mozido LLC	73	75
FCM LLC	55	55
Taj Air Limited	19	19
Philippine Dealing System Holdings Corporation	7	7
Less: Impairment in value of investments	(116)	(114)
Investments carried at amortised cost		
Government bonds and securities (quoted)	165	164
Corporate bonds (quoted)	10	10
	213	**216**

Investments – Non-current includes ₹175 crore and ₹174 crore as at March 31, 2021 and 2020, respectively, pertains to trusts held for specified purposes.

Investments – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Investments carried at fair value through profit or loss		
Mutual fund units (quoted)	4,904	1,692
Investments carried at fair value through OCI		
Government bonds and securities (quoted)	23,670	24,290
Corporate bonds (quoted)	450	132
Investments carried at amortised cost		
Corporate bonds (quoted)	-	26
Commercial papers (quoted)	136	-
	29,160	**26,140**

Investments – Current includes ₹166 crore and ₹95 crore as at March 31, 2021 and 2020, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Government bonds and securities includes bonds pledged with bank for credit facility amounting to ₹1,650 crore and NIL as at March 31, 2021 and 2020, respectively.

Aggregate value of quoted and unquoted investments is as follows:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Aggregate value of quoted investments	29,335	26,314
Aggregate value of unquoted investments (net of impairment)	38	42
Aggregate market value of quoted investments	29,356	26,336
Aggregate value of impairment of investments	116	114

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Government bonds and securities	186	186
Corporate bonds	10	36
Commercial papers	136	-

Equity instruments carried at fair value through OCI are as follows:

(₹ crore)

In Numbers	Currency	Face value per share	Equity instruments carried at fair value through OCI	As at March 31, 2021	As at March 31, 2020
			Fully paid equity shares (unquoted)		
1,00,00,000	USD	1	Mozido LLC	73	75
15	USD	5,00,000	FCM LLC	55	55
1,90,00,000	INR	10	Taj Air Limited	19	19
5,00,000	PHP	100	Philippine Dealing System Holdings Corporation	7	7
			Less: Impairment in value of investments	(116)	(114)
				38	**42**

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**796**	**192**
Net loss arising on revaluation of financial assets carried at fair value	(2)	(20)
Net gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income	51	972
Deferred tax relating to net gain arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(17)	(340)
Net cumulative gain reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	-	(14)
Deferred tax relating to net cumulative gain reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	-	6
Balance at the end of the year	**828**	**796**

(b) Trade receivables

Trade receivables (unsecured) consist of the following:

Trade receivables – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Trade receivables	787	656
Less: Allowance for doubtful trade receivables	(732)	(582)
Considered good	**55**	**74**

Trade receivables – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Trade receivables	30,248	30,747
Less: Allowance for doubtful trade receivables	(244)	(306)
Considered good	**30,004**	**30,441**
Trade receivables	388	340
Less: Allowance for doubtful trade receivables	(313)	(249)
Credit impaired	**75**	**91**
	30,079	**30,532**

(c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In current accounts	5,266	8,237
In deposit accounts	1,586	405
Cheques on hand*	-	1
Cash on hand	1	1
Remittances in transit	5	2
	6,858	**8,646**

*Represents value less than ₹0.50 crore.

Balances with banks in current accounts include ₹13 crore and ₹4 crore as at March 31, 2021 and 2020, respectively, pertaining to trusts held for specified purposes.

(d) Other balances with banks

Other balances with banks consist of the following:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Earmarked balances with banks	209	215
Short-term bank deposits	2,262	805
	2,471	**1,020**

Earmarked balances with banks primarily relate to margin money for purchase of investments, margin money for derivative contracts and unclaimed dividends.

(e) Loans

Loans (unsecured) consist of the following:

Loans – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Considered good		
Inter-corporate deposits	27	27
Loans and advances to employees	2	2
	29	**29**

Loans – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Considered good		
Inter-corporate deposits	11,229	8,171
Loans and advances to employees	243	304
Credit impaired		
Loans and advances to employees	17	15
Less: Allowance on loans and advances to employees	(17)	(15)
	11,472	**8,475**

Inter-corporate deposits placed with financial institutions yield fixed interest rate. Inter-corporate deposits include ₹952 crore and ₹922 crore as at March 31, 2021 and 2020, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

(f) Other financial assets

Other financial assets consist of the following:

Other financial assets – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Security deposits	837	824
Earmarked balances with banks	3	1
Long-term bank deposits	719	348
Others	14	11
	1,573	**1,184**

Other financial assets – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Security deposits	168	170
Fair value of foreign exchange derivative assets	495	425
Interest receivable	615	744
Others	116	134
	1,394	**1,473**

Interest receivable includes ₹40 crore and ₹43 crore as at March 31, 2021 and 2020, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

(g) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Capital creditors	-	3
Others	280	288
	280	**291**

Others include advance taxes paid of ₹226 crore and ₹226 crore as at March 31, 2021 and 2020, respectively, by the seller of TCS e-Serve Limited (merged with the Company) which, on refund by tax authorities, is payable to the seller.

Other financial liabilities - Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Accrued payroll	4,482	3,907
Unclaimed dividends	50	53
Fair value of foreign exchange derivative liabilities	92	693
Capital creditors	399	502
Liabilities towards customer contracts	914	807
Others	213	138
	6,150	**6,100**

(h) Financial instruments by category

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	-	-	-	-	6,858	6,858
Bank deposits	-	-	-	-	2,981	2,981
Earmarked balances with banks	-	-	-	-	212	212
Investments	4,904	24,158	-	-	311	29,373
Trade receivables	-	-	-	-	30,134	30,134
Unbilled receivables	-	-	-	-	6,856	6,856
Loans	-	-	-	-	11,501	11,501
Other financial assets	-	-	163	332	1,750	2,245
	4,904	**24,158**	**163**	**332**	**60,603**	**90,160**
Financial liabilities						
Trade payables	-	-	-	-	7,860	7,860
Lease liabilities	-	-	-	-	7,795	7,795
Other financial liabilities	-	-	2	90	6,338	6,430
	-	**-**	**2**	**90**	**21,993**	**22,085**

Loans include inter-corporate deposits of ₹11,256 crore, with original maturity period within 36 months.

The carrying value of financial instruments by categories as at March 31, 2020 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	-	-	-	-	8,646	8,646
Bank deposits	-	-	-	-	1,153	1,153
Earmarked balances with banks	-	-	-	-	216	216
Investments	1,692	24,464	-	-	200	26,356
Trade receivables	-	-	-	-	30,606	30,606
Unbilled receivables	-	-	-	-	6,056	6,056
Loans	-	-	-	-	8,504	8,504
Other financial assets	-	-	146	279	1,883	2,308
	1,692	**24,464**	**146**	**279**	**57,264**	**83,845**
Financial liabilities						
Trade payables	-	-	-	-	6,740	6,740
Lease liabilities	-	-	-	-	8,174	8,174
Other financial liabilities	-	-	34	659	5,698	6,391
	-	**-**	**34**	**659**	**20,612**	**21,305**

Loans include inter-corporate deposits of ₹8,198 crore, with original maturity period within 36 months.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables, loans and trade payables as at March 31, 2021 and 2020, approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is ₹332 crore and ₹222 crore as at March 31, 2021 and 2020, respectively.

(i) 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.

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, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	4,849	-	55	4,904
Equity shares	-	-	38	38
Government bonds and securities	23,856	-	-	23,856
Corporate bonds	460	-	-	460
Commercial papers	136	-	-	136
Fair value of foreign exchange derivative assets	-	495	-	495
	29,301	**495**	**93**	**29,889**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	92	-	92
	-	**92**	**-**	**92**

(₹ crore)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	1,692	-	-	1,692
Equity shares	-	-	42	42
Government bonds and securities	24,476	-	-	24,476
Corporate bonds	168	-	-	168
Fair value of foreign exchange derivative assets	-	425	-	425
	26,336	**425**	**42**	**26,803**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	693	-	693
	-	**693**	**-**	**693**

Reconciliation of Level 3 fair value measurement of financial assets is as follows:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**42**	**58**
Additions during the year	52	-
Fair value of investments	4	-
Impairment in value of investments	(2)	(20)
Translation exchange difference	(3)	4
Balance at the end of the year	**93**	**42**

Reconciliation of Level 3 fair value measurement of financial liabilities is as follows:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**-**	**218**
Repayment during the year	-	(227)
Translation exchange difference	-	9
Balance at the end of the year	**-**	**-**

(j) Derivative financial instruments and hedging activity

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

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

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

Foreign currency	As at March 31, 2021			As at March 31, 2020		
	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	1,615	51	55	1,420	20
Great Britain Pound	64	330	14	71	384	59
Euro	60	346	78	38	363	(31)
Australian Dollar	38	206	16	26	192	48
Canadian Dollar	23	114	2	19	104	16

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

(₹ crore)

	Year ended March 31, 2021		Year ended March 31, 2020	
	Intrinsic value	Time value	Intrinsic value	Time value
Balance at the beginning of the year	**45**	**(68)**	**134**	**(30)**
(Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	(341)	530	(449)	513
Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	73	(125)	54	(38)
Change in the fair value of effective portion of cash flow hedges	355	(477)	355	(565)
Deferred tax on fair value of effective portion of cash flow hedges	(76)	113	(49)	52
Balance at the end of the year	**56**	**(27)**	**45**	**(68)**

The Group has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at March 31, 2021 and 2020, the notional amount of outstanding contracts aggregated to ₹37,615 crore and ₹40,298 crore, respectively and the respective fair value of these contracts have a net gain of ₹242 crore and net loss of ₹380 crore.

Exchange gain of ₹490 crore and loss of ₹461 crore on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in the consolidated statement of profit and loss for the years ended March 31, 2021 and 2020, respectively.

Net foreign exchange gains include loss of ₹189 crore and ₹64 crore transferred from cash flow hedging reserve for the years ended March 31, 2021 and 2020, respectively.

Net gain on derivative instruments of ₹30 crore recognised in cash flow hedging reserve as at March 31, 2021, is expected to be transferred to the statement of profit and loss by March 31, 2022. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2021.

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
10% Appreciation of the underlying foreign currencies	(306)	(407)
10% Depreciation of the underlying foreign currencies	1,906	1,261

(k) Financial risk management

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

Market risk

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

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

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

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

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currencies of Tata Consultancy Services Limited and its subsidiaries.

The following analysis has been worked out based on the net exposures for each of the subsidiaries and Tata Consultancy Services Limited as of the date of balance sheet which could affect the statement of profit and loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Group as disclosed in note 8(j).

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	3,194	155	101	1,129
Net financial liabilities	(41)	(573)	(354)	(411)

10% appreciation / depreciation of the respective functional currency of Tata Consultancy Services Limited and its subsidiaries with respect to various foreign currencies would result in increase / decrease in the Group's profit before taxes by approximately ₹320 crore for the year ended March 31, 2021.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2020:

(₹ crore)

	USD	EUR	GBP	Others
Net financial assets	2,140	239	82	1,145
Net financial liabilities	(3,257)	(325)	(160)	(249)

10% appreciation / depreciation of the respective functional currency of Tata Consultancy Services Limited and its subsidiaries with respect to various foreign currencies would result in increase / decrease in the Group's profit before taxes by approximately ₹39 crore for the year ended March 31, 2020.

- **Interest rate risk**

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

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, loans, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹11,256 crore are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹2,669 crore held with two Indian banks having high credit rating which are individually in excess of 10% or more of the Group's total bank deposits as at March 31, 2021. None of the other financial instruments of the Group result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹94,201 crore and ₹88,291 crore as at March 31, 2021 and 2020, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables, unbilled receivables, loan, contract assets and other financial assets.

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at March 31, 2021 and 2020.

Geographic concentration of credit risk

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

	As at March 31, 2021		As at March 31, 2020	
	Gross%	Net%	Gross%	Net%
United States of America	41.08	41.83	44.94	45.66
India	20.31	18.79	11.56	10.01
United Kingdom	16.37	16.75	14.74	15.02

Geographical concentration of trade receivables, unbilled receivables 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, 2021 and 2020 was ₹190 crore and ₹133 crore respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**1,137**	**1,020**
Change during the year	190	133
Bad debts written off	(34)	(43)
Translation exchange difference	(4)	27
Balance at the end of the year	**1,289**	**1,137**

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generated sufficient cash flows from operations to meet its financial obligations 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, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities					
Trade payables	7,860	-	-	-	7,860
Lease liabilities	1,742	1,601	3,325	3,509	10,177
Other financial liabilities	6,058	50	230	-	6,338
	15,660	**1,651**	**3,555**	**3,509**	**24,375**
Derivative financial liabilities	92	-	-	-	92
	15,752	**1,651**	**3,555**	**3,509**	**24,467**

(₹ crore)

March 31, 2020	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities					
Trade payables	6,740	-	-	-	6,740
Lease liabilities	1,722	1,514	3,517	4,034	10,787
Other financial liabilities	5,407	12	279	-	5,698
	13,869	**1,526**	**3,796**	**4,034**	**23,225**
Derivative financial liabilities	693	-	-	-	693
	14,562	**1,526**	**3,796**	**4,034**	**23,918**

(I) Equity instruments

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Authorised		
460,05,00,000 equity shares of ₹1 each (March 31, 2020: 460,05,00,000 equity shares of ₹1 each)	460	460
105,02,50,000 preference shares of ₹1 each (March 31, 2020: 105,02,50,000 preference shares of ₹1 each)	105	105
	565	**565**
Issued, Subscribed and Fully paid up		
369,90,51,373 equity shares of ₹1 each (March 31, 2020: 375,23,84,706 equity shares of ₹1 each)	370	375
	370	**375**

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.

The Board of Directors at its meeting held on October 7, 2020, approved a proposal to buy-back upto 5,33,33,333 equity shares of the Company for an aggregate amount not exceeding ₹16,000 crore, being 1.42% of the total paid up equity share capital at ₹3,000 per equity share. The shareholders approved the same on November 18, 2020, by way of a special resolution through postal ballot. A Letter of Offer was made to all eligible shareholders. The Company bought back 5,33,33,333 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on January 6, 2021. Capital redemption reserve was created to the extent of share capital extinguished (₹5 crore). The excess cost of buy-back of ₹16,031 crore (including ₹31 crore towards transaction cost of buy-back) over par value of shares and corresponding tax on buy-back of ₹3,726 crore were offset from retained earnings.

I. Reconciliation of number of shares

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
Equity shares				
Opening balance	**375,23,84,706**	**375**	**375,23,84,706**	**375**
Shares extinguished on buy-back	(5,33,33,333)	(5)	-	-
Closing balance	**369,90,51,373**	**370**	**375,23,84,706**	**375**

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, 2021	As at March 31, 2020
Equity shares		
Holding company		
266,91,25,829 equity shares (March 31, 2020: 270,24,50,947 equity shares) are held by Tata Sons Private Limited	267	270
Subsidiaries and Associates of Holding company		
7,220 equity shares (March 31, 2020: 7,220 equity shares) are held by Tata Industries Limited*	-	-
10,23,685 equity shares (March 31, 2020: 10,36,269 equity shares) are held by Tata Investment Corporation Limited*	-	-
46,798 equity shares (March 31, 2020 : 46,798 equity shares) are held by Tata Steel Limited*	-	-
766 equity shares (March 31, 2020 : 766 equity shares) are held by The Tata Power Company Limited*	-	-
	267	**270**

*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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Equity shares		
Tata Sons Private Limited, the Holding company	266,91,25,829	270,24,50,947
% of shareholding	72.16%	72.02%

V. Equity shares movement during 5 years preceding March 31, 2021

- **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 the quarter 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 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.

9) 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.

Group as a lessee

The Group 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 Group 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-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 Group 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 Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, 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 Group 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 Group 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 Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group 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.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group 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 Group 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 Group 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 Group 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 Group is as follows:

(₹ crore)

	Additions for year ended March 31, 2021	Net carrying amount as at March 31, 2021
Leasehold land	-	682
Buildings	1,226	6,758
Leasehold improvements	6	26
Computer equipment	102	101
Software licences	26	25
Vehicles	30	32
Office equipment	1	9
	1,391	**7,633**

(₹ crore)

	Additions for year ended March 31, 2020	Net carrying amount as at March 31, 2020
Leasehold land	474	690
Buildings	2,443	7,218
Leasehold improvements	15	46
Computer equipment	7	13
Vehicles	5	16
Office equipment	7	11
	2,951	**7,994**

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Leasehold land	8	4
Buildings	1,453	1,225
Leasehold improvements	8	10
Computer equipment	12	17
Software licences	1	-
Vehicles	14	10
Office equipment	4	2
	1,500	**1,268**

Interest on lease liabilities is ₹523 crore and ₹492 crore for the years ended on March 31, 2021 and 2020, respectively.

The Group incurred ₹352 crore and ₹392 crore for the years ended March 31, 2021 and 2020, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is ₹2,312 crore and ₹2,465 crore for years ended March 31, 2021 and 2020, respectively, including cash outflow for short term and low value leases.

The Group 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 ₹708 crore and ₹457 crore as at March 31, 2021 and 2020, respectively.

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

10) Non-financial assets and 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.

The estimated useful lives are as mentioned below:

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

Property, plant and equipment consist of the following:

(₹ crore)

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2020	**347**	**7,719**	**2,427**	**681**	**8,794**	**42**	**2,509**	**2,039**	**1,886**	**26,444**
Additions	5	71	142	53	2,047	3	137	46	61	2,565
Disposals	-	(11)	(72)	(1)	(180)	(5)	(80)	(29)	(63)	(441)
Translation exchange difference	(1)	(2)	5	4	73	-	8	2	1	90
Cost as at March 31, 2021	**351**	**7,777**	**2,502**	**737**	**10,734**	**40**	**2,574**	**2,058**	**1,885**	**28,658**
Accumulated depreciation as at April 1, 2020	**-**	**(2,563)**	**(1,441)**	**(228)**	**(6,414)**	**(34)**	**(2,068)**	**(1,266)**	**(1,489)**	**(15,503)**
Depreciation	-	(393)	(199)	(72)	(1,246)	(4)	(204)	(152)	(137)	(2,407)
Disposals	-	8	68	1	168	5	79	26	62	417
Translation exchange difference	-	1	(3)	(3)	(39)	-	(6)	(1)	(4)	(55)
Accumulated depreciation as at March 31, 2021	**-**	**(2,947)**	**(1,575)**	**(302)**	**(7,531)**	**(33)**	**(2,199)**	**(1,393)**	**(1,568)**	**(17,548)**
Net carrying amount as at March 31, 2021	**351**	**4,830**	**927**	**435**	**3,203**	**7**	**375**	**665**	**317**	**11,110**
Capital work-in-progress*										926
Total										**12,036**

*₹2,565 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.

(₹ crore)

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2019	**345**	**7,429**	**2,403**	**552**	**7,687**	**39**	**2,377**	**1,935**	**1,755**	**24,522**
Transition impact of Ind AS 116	-	-	(106)	-	(130)	-	(5)	-	(2)	(243)
Restated cost as at April 1, 2019	**345**	**7,429**	**2,297**	**552**	**7,557**	**39**	**2,372**	**1,935**	**1,753**	**24,279**
Additions	-	290	302	134	1,620	5	223	119	165	2,858
Disposals	-	(7)	(185)	-	(379)	(2)	(90)	(19)	(51)	(733)
Translation exchange difference	2	7	13	(5)	(4)	-	4	4	19	40
Cost as at March 31, 2020	**347**	**7,719**	**2,427**	**681**	**8,794**	**42**	**2,509**	**2,039**	**1,886**	**26,444**
Accumulated depreciation as at April 1, 2019	**-**	**(2,187)**	**(1,396)**	**(172)**	**(5,906)**	**(31)**	**(1,921)**	**(1,132)**	**(1,366)**	**(14,111)**
Transition impact of Ind AS 116	-	-	60	-	129	-	4	-	1	194
Restated accumulated depreciation as at April 1, 2019	**-**	**(2,187)**	**(1,336)**	**(172)**	**(5,777)**	**(31)**	**(1,917)**	**(1,132)**	**(1,365)**	**(13,917)**
Depreciation	-	(379)	(191)	(60)	(998)	(5)	(232)	(147)	(160)	(2,172)
Disposals	-	6	99	-	357	2	85	18	51	618
Translation exchange difference	-	(3)	(13)	4	4	-	(4)	(5)	(15)	(32)
Accumulated depreciation as at March 31, 2020	**-**	**(2,563)**	**(1,441)**	**(228)**	**(6,414)**	**(34)**	**(2,068)**	**(1,266)**	**(1,489)**	**(15,503)**
Net carrying amount as at March 31, 2020	**347**	**5,156**	**986**	**453**	**2,380**	**8**	**441**	**773**	**397**	**10,941**
Capital work-in-progress*										906
Total										**11,847**

*₹2,858 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2020.

(b) Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Goodwill consists of the following:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	1,710	1,700
Translation exchange difference	88	10
Balance at the end of the year	**1,798**	**1,710**

Goodwill of ₹660 crore and ₹636 crore as at March 31, 2021 and 2020, respectively, has been allocated to the TCS business in France. The estimated value-in-use of this CGU is based on the future cash flows using a 1.50% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 9.30%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The remaining amount of goodwill of ₹1,138 crore and ₹1,074 crore as at March 31, 2021 and 2020, respectively, (relating to different CGUs individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

(c) Other intangible assets

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

Intangible assets consist of rights under licensing agreement and software licences and customer-related intangibles.

Following table summarises the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Rights under licensing agreement and software licences	Lower of licence period and 2-5 years
Customer-related intangibles	3 years

Intangible assets are amortised 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)

	Rights under licensing agreement and software licences	Customer-related intangibles	Total
Cost as at April 1, 2020	**448**	**120**	**568**
Additions	356	-	356
Disposals / Derecognised	(64)	-	(64)
Translation exchange difference	-	2	2
Cost as at March 31, 2021	**740**	**122**	**862**
Accumulated amortisation as at April 1, 2020	**(180)**	**(105)**	**(285)**
Amortisation	(149)	(9)	(158)
Disposals / Derecognised	64	-	64
Translation exchange difference	-	(3)	(3)
Accumulated amortisation as at March 31, 2021	**(265)**	**(117)**	**(382)**
Net carrying amount as at March 31, 2021	**475**	**5**	**480**

(₹ crore)

	Rights under licensing agreement and software licences	Customer-related intangibles	Total
Cost as at April 1, 2019	**256**	**115**	**371**
Additions	192	-	192
Translation exchange difference	-	5	5
Cost as at March 31, 2020	**448**	**120**	**568**
Accumulated amortisation as at April 1, 2019	**(102)**	**(90)**	**(192)**
Amortisation	(80)	(9)	(89)
Translation exchange difference	2	(6)	(4)
Accumulated amortisation as at March 31, 2020	**(180)**	**(105)**	**(285)**
Net carrying amount as at March 31, 2020	**268**	**15**	**283**

The estimated amortisation for the years subsequent to March 31, 2021 is as follows:

(₹ crore)

Year ending March 31,	Amortisation expense
2022	196
2023	152
2024	96
2025	36
Thereafter	-
	480

(d) Other assets

Other assets consist of the following:

Other assets – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Considered good		
Contract assets	250	197
Prepaid expenses	621	839
Contract fulfillment costs	228	286
Capital advances	66	55
Advances to related parties	33	36
Others	415	298
	1,613	**1,711**
Advances to related parties, considered good, comprise:		
Voltas Limited	2	3
Tata Realty and Infrastructure Ltd*	-	-
Tata Projects Limited	30	33
Titan Engineering and Automation Limited*	-	-

Other assets – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Considered good		
Contract assets	3,830	4,292
Prepaid expenses	4,651	1,498
Prepaid rent	28	15
Contract fulfillment costs	796	621
Advance to suppliers	157	136
Advance to related parties	10	11
Indirect taxes recoverable	1,491	1,374
Others	273	259
Considered doubtful		
Advance to suppliers	3	3
Indirect taxes recoverable	-	2
Other advances	1	3
Less: Allowance on doubtful assets	(4)	(8)
	11,236	**8,206**
Advance to related parties, considered good comprise:		
The Titan Company Limited	2	3
Tata AIG General Insurance Company Limited	1	-
Tata AIA Life Insurance Company Limited	-	1
Tata Sons Private Limited	7	7

Non-current – Others includes advance of ₹369 crore and ₹271 crore towards acquiring right-of-use of leasehold land as at March 31, 2021 and 2020, respectively.

Contract fulfillment costs of ₹568 crore and ₹510 crore for the years ended March 31, 2021 and 2020, respectively, have been amortised in the consolidated statement of profit and loss. Refer note 12 for changes in contract assets.

(e) Inventories

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

Inventories consist of the following:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Raw materials, sub-assemblies and components	8	5
Finished goods and work-in-progress *	-	-
Goods-in-transit (raw materials)	-	-
Stores and spares*	-	-
	8	**5**

*Represents value less than ₹0.50 crore.

(f) Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Advance received from customers	312	345
Indirect taxes payable and other statutory liabilities	3,726	2,874
Operating lease liabilities	-	2
Others	30	62
	4,068	**3,283**

(g) Provisions

Provisions consist of the following:

Provisions – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Provision towards legal claim (Refer note 20)	1,211	-
Provision for foreseeable loss	150	238
Other provisions	33	55
	1,394	**293**

11) Other equity

Other equity consist of the following:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Capital reserve	75	75
Capital redemption reserve		
Opening balance	**431**	**431**
Transfer from retained earnings	5	-
	436	**431**
General reserve		
Opening balance	**27**	**27**
Transfer to retained earnings	-	-
	27	**27**
Special Economic Zone re-investment reserve		
Opening balance	**1,594**	**994**
Transfer from retained earnings	5,058	2,947
Transfer to retained earnings	(4,114)	(2,347)
	2,538	**1,594**
Retained earnings		
Opening balance	**78,810**	**85,520**
Transition impact of Ind AS 116	-	(357)
Profit for the year	32,430	32,340
Remeasurement of defined employee benefit plans	(71)	(339)
Expenses for buy-back of equity shares[1]	(31)	-
Tax on buy-back of equity shares[1]	(3,726)	-
Buy-back of equity shares[1]	(15,995)	-
Transfer from Special Economic Zone re-investment reserve	4,114	2,347
Purchase of non-controlling interests	-	(93)
	95,531	**1,19,418**

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Less: Appropriations		
Dividend on equity shares	10,850	31,896
Tax on dividend	-	5,738
Transfer to capital redemption reserve[1]	5	-
Transfer to Special Economic Zone re-investment reserve	5,058	2,947
Transfer to statutory reserve	32	27
	79,586	**78,810**
Statutory reserve		
Opening balance	**375**	**348**
Transfer from retained earnings	32	27
	407	**375**
Investment revaluation reserve		
Opening balance	**796**	**192**
Change during the year (net)	32	604
	828	**796**
Cash flow hedging reserve (Refer note 8(j))		
Opening balance	**(23)**	**104**
Change during the year (net)	52	(127)
	29	**(23)**
Foreign currency translation reserve		
Opening balance	**1,666**	**1,380**
Change during the year (net)	471	286
	2,137	**1,666**
	86,063	**83,751**

[1]Refer note 8(l).

12) Revenue recognition

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

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

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services

and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method .

- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

- The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

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

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

Judgement is also required to determine the transaction price for the contract 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 Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of the licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

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

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

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

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

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

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

Revenue disaggregation by nature of services is as follows:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Consultancy services	1,62,508	1,54,829
Sale of equipment and software licences	1,669	2,120
	1,64,177	**1,56,949**

Revenue disaggregation by industry vertical and geography has been included in segment information (Refer note 19).

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

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹1,13,827 crore out of which 53.05% 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, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**4,489**	**3,428**
Invoices raised that were included in the contract assets balance at the beginning of the year	(3,496)	(2,788)
Increase due to revenue recognised during the year, excluding amounts billed during the year	2,985	3,621
Translation exchange difference	102	228
Balance at the end of the year	**4,080**	**4,489**

Changes in unearned and deferred revenue are as follows:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**3,612**	**3,236**
Revenue recognised that was included in the unearned and deferred revenue balance at the beginning of the year	(3,010)	(2,421)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	4,182	2,618
Translation exchange difference	63	179
Balance at the end of the year	**4,847**	**3,612**

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Contracted price	1,66,917	1,58,977
Reductions towards variable consideration components	(2,740)	(2,028)
Revenue recognised	**1,64,177**	**1,56,949**

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

13) Other income

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

Other income consists of the following:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	2,504	3,562
Dividend income	8	10
Net gain on investments carried at fair value through profit or loss	204	200
Net gain on sale of investments other than equity shares carried at fair value through OCI	-	14
Net gain on disposal of property, plant and equipment	13	46

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Net gain on lease modification	100	13
Net foreign exchange gain	248	727
Rent income	1	1
Other income	56	19
	3,134	**4,592**
Interest income comprise:		
Interest on bank balances and bank deposits	137	519
Interest on financial assets carried at amortised cost	587	613
Interest on financial assets carried at fair value through OCI	1,762	1,878
Other interest (including interest on tax refunds)	18	552
Dividend income comprises:		
Dividend from mutual fund units and other investments	8	10

14) 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 Group 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 Group provides benefits such as superannuation, provident fund (other than Company managed fund) 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.

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, 2021	Year ended March 31, 2020
Salaries, incentives and allowances	83,045	77,660
Contributions to provident and other funds	6,401	5,834
Staff welfare expenses	2,368	2,458
	91,814	**85,952**

Employee benefit obligations consist of the following:

Employee benefit obligations – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Gratuity liability	12	8
Foreign defined benefit plans	473	308
Other employee benefit obligations	264	101
	749	**417**

Employee benefit obligations – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Compensated absences	3,448	2,720
Other employee benefit obligations	50	29
	3,498	**2,749**

Employee benefits plans consist of the following:

Gratuity and pension

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

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

(₹ crore)

	Year ended March 31, 2021					Year ended March 31, 2020				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Change in benefit obligations										
Benefit obligations, beginning of the year	**3,638**	**8**	**753**	**145**	**4,544**	**2,679**	**4**	**629**	**120**	**3,432**
Translation exchange difference	-	-	(21)	6	(15)	-	-	55	5	60
Plan assumed on insourcing of employees	-	-	1,348	20	1,368	30	-	-	-	30
Plan participants' contribution	-	-	12	-	12	-	-	9	-	9
Service cost	460	2	27	32	521	358	1	16	22	397
Interest cost	244	1	12	3	260	222	-	11	5	238
Remeasurement of the net defined benefit liability	135	2	139	18	294	520	4	43	2	569
Past service cost / (credit)	-	-	-	-	-	-	-	-	1	1
Benefits paid	(162)	(1)	21	(6)	(148)	(171)	(1)	(10)	(10)	(192)
Benefit obligations, end of the year	**4,315**	**12**	**2,291**	**218**	**6,836**	**3,638**	**8**	**753**	**145**	**4,544**

(₹ crore)

	Year ended March 31, 2021					Year ended March 31, 2020				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Change in plan assets										
Fair value of plan assets, beginning of the year	**3,643**	**-**	**627**	**-**	**4,270**	**2,672**	**-**	**532**	**-**	**3,204**
Translation exchange difference	-	-	(17)	-	(17)	-	-	41	-	41
Plan assumed on insourcing of employees	-	-	1,302	-	1,302	30	-	-	-	30
Interest income	269	-	9	-	278	235	-	9	-	244
Employers' contributions	837	-	25	-	862	766	-	17	-	783
Plan participants' contribution	-	-	12	-	12	-	-	9	-	9
Benefits paid	(162)	-	21	-	(141)	(171)	-	(10)	-	(181)
Remeasurement - return on plan assets excluding amount included in interest income	119	-	93	-	212	111	-	29	-	140
Fair value of plan assets, end of the year	**4,706**	**-**	**2,072**	**-**	**6,778**	**3,643**	**-**	**627**	**-**	**4,270**

(₹ crore)

	As at March 31, 2021					As at March 31, 2020				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Funded status										
Deficit of plan assets over obligations	-	(12)	(255)	(218)	(485)	-	(8)	(163)	(145)	(316)
Surplus of plan assets over obligations	391	-	36	-	427	5	-	37	-	42
	391	**(12)**	**(219)**	**(218)**	**(58)**	**5**	**(8)**	**(126)**	**(145)**	**(274)**

(₹ crore)

	As at March 31, 2021					As at March 31, 2020				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Category of assets										
Corporate bonds	1,408	-	805	-	2,213	1,004	-	137	-	1,141
Equity instruments	29	-	-	-	29	17	-	-	-	17
Government bonds and securities	2,257	-	-	-	2,257	1,695	-	-	-	1,695
Insurer managed funds	910	-	430	-	1,340	852	-	275	-	1,127
Bank balances	2	-	3	-	5	-	-	6	-	6
Others	100	-	834	-	934	75	-	209	-	284
	4,706	**-**	**2,072**	**-**	**6,778**	**3,643**	**-**	**627**	**-**	**4,270**

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

(₹ crore)

	Year ended March 31, 2021					Year ended March 31, 2020				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Service cost	460	2	27	32	521	358	1	16	22	397
Net interest on net defined benefit (asset) / liability	(25)	1	3	3	(18)	(13)	-	2	5	(6)
Past service cost / (credit)	-	-	-	-	-	-	-	-	1	1
Net periodic gratuity / pension cost	**435**	**3**	**30**	**35**	**503**	**345**	**1**	**18**	**28**	**392**
Actual return on plan assets	**388**	**-**	**102**	**-**	**490**	**346**	**-**	**38**	**-**	**384**

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

(₹ crore)

	Year ended March 31, 2021				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Actuarial (gains) and losses arising from changes in demographic assumptions	24	-	1	(2)	23
Actuarial (gains) and losses arising from changes in financial assumptions	(32)	-	118	19	105
Actuarial (gains) and losses arising from changes in experience adjustments	143	2	20	1	166
Remeasurement of the net defined benefit liability	**135**	**2**	**139**	**18**	**294**
Remeasurement - return on plan assets excluding amount included in interest income	(119)	-	(93)	-	(212)
	16	**2**	**46**	**18**	**82**

(₹ crore)

	Year ended March 31, 2020				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
Actuarial (gains) and losses arising from changes in demographic assumptions	(5)	-	(5)	(9)	(19)
Actuarial (gains) and losses arising from changes in financial assumptions	345	1	47	10	403
Actuarial (gains) and losses arising from changes in experience adjustments	180	3	1	1	185
Remeasurement of the net defined benefit liability	**520**	**4**	**43**	**2**	**569**
Remeasurement - return on plan assets excluding amount included in interest income	(111)	-	(29)	-	(140)
	409	**4**	**14**	**2**	**429**

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

	Year ended March 31, 2021		Year ended March 31, 2020	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	4.25%-7.00%	0.40%-7.55%	5.25%-6.75%	0.60%-8.05%
Rate of increase in compensation levels of covered employees	4.00%-6.00%	1.25%-7.00%	4.00%-7.00%	1.25%-7.00%
Rate of return on plan assets	4.25%-7.00%	0.40%-7.55%	5.25%-6.75%	0.60%-8.05%
Weighted average duration of defined benefit obligations	3-18 years	5-65 years	3-18 years	6-26.10 years

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

The expected benefits are based on the same assumptions as are used to measure Group's defined benefit plan obligations as at March 31, 2021. The Group is expected to contribute ₹140 crore to defined benefit plan obligations funds for the year ending March 31, 2022 comprising domestic component of ₹117 crore and foreign component of ₹23 crore.

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, 2021	As at March 31, 2020
Increase of 0.50%	(378)	(236)
Decrease of 0.50%	421	262

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Increase of 0.50%	276	177
Decrease of 0.50%	(260)	(165)

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 year ended March 31, 2021 as follows:

(₹ crore)

Year ending March 31,	Defined benefit obligations
2022	367
2023	310
2024	329
2025	353
2026	341
2027-2031	1,840

Provident fund

In accordance with Indian law, all eligible employees of Tata Consultancy Services Limited in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in profit 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.

All eligible employees of Indian subsidiaries of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to the Government administered provident fund plan. A part of the company's contribution is transferred to Government administered pension fund. This plan is a defined contribution plan as the obligation of the employer is limited to the monthly contributions made to the fund. The contributions made to the fund are recognised as an expense in profit and loss under employee benefit expenses.

The details of fund and plan assets are given below:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets	20,003	17,072
Present value of defined benefit obligations	(20,003)	(17,072)
Net excess / (shortfall)	-	-

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

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.50%	6.50%
Average remaining tenure of investment portfolio	8 years	7.73 years
Guaranteed rate of return	8.50%	8.50%

The Group expensed ₹1,085 crore and ₹1,042 crore for the years ended March 31, 2021 and 2020, respectively, towards provident fund.

Superannuation

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

The Group expensed ₹366 crore and ₹356 crore for the years ended March 31, 2021 and 2020, respectively, towards Employees' Superannuation Fund.

Foreign defined contribution plans

The Group expensed ₹1,458 crore and ₹1,324 crore for the years ended March 31, 2021 and 2020, respectively, towards foreign defined contribution plans.

15) Cost recognition

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

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

(a) Cost of equipment and software licences

Cost of equipment and software licences consist of the following:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Raw materials, sub-assemblies and components consumed	14	18
Equipment and software licences purchased	1,447	1,888
	1,461	**1,906**
Finished goods and work-in-progress		
Opening stock*	1	-
Less: Closing stock*	-	-
	1	**-**
	1,462	**1,906**

*Represents value less than ₹0.50 crore.

(b) Other expenses

Other expenses consist of the following:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Fees to external consultants	13,214	12,937
Facility expenses	2,131	2,702
Travel expenses	1,081	3,296
Communication expenses	1,896	1,592
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	201	144
Other expenses	5,832	6,312
	24,355	**26,983**

16) Finance costs

Finance costs consist of the following:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on lease liabilities	523	492
Interest on tax matters	96	354
Other interest costs	18	78
	637	**924**

17) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company, its branches and its subsidiaries in India and overseas. The current tax payable by the Company and its subsidiaries in India is Indian income tax payable on worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

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

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

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

Deferred income taxes

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

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

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

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Deferred tax assets include Minimum 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.

The income tax expense consists of the following:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
Current tax expense for current year	11,737	9,730
Current tax expense / (benefit) pertaining to prior years	(102)	648
	11,635	**10,378**
Deferred tax		
Deferred tax expense / (benefit) for current year	(359)	899
Deferred tax benefit pertaining to prior years	(78)	(1,476)
	(437)	**(577)**
	11,198	**9,801**

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	43,760	42,248
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	15,292	14,764
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	(4,708)	(4,879)
Income exempt from tax	(325)	(285)
Undistributed earnings in branches and subsidiaries	(13)	428
Tax on income at different rates	843	152
Tax pertaining to prior years	(180)	(828)
Others (net)	289	449
Total income tax expense	**11,198**	**9,801**

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

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	Ajustments / utilisation	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to						
Property, plant and equipment and intangible assets	145	124	-	40	-	309
Provision for employee benefits	654	168	8	77	(10)	897
Cash flow hedges	7	-	(15)	-	-	(8)
Receivables, financial assets at amortised cost	388	35	-	-	1	424
MAT credit entitlement	1,074	39	-	597	-	1,710
Branch profit tax	(284)	(26)	-	-	-	(310)
Undistributed earnings of subsidiaries	(286)	88	-	-	-	(198)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(484)	1	(17)	-	-	(500)
Lease liabilities	345	(84)	-	-	-	261
Others	490	92	-	-	(3)	579
	2,049	**437**	**(24)**	**714**	**(12)**	**3,164**

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

As at March 31, 2021	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	458	149	309
Provision for employee benefits	908	11	897
Cash flow hedges	(8)	-	(8)
Receivables, financial assets at amortised cost	424	-	424
MAT credit entitlement	1,710	-	1,710
Branch profit tax	-	310	(310)
Undistributed earnings of subsidiaries	-	198	(198)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(500)	-	(500)
Lease liabilities	260	(1)	261
Others	679	100	579
	3,931	**767**	**3,164**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(₹ crore)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Ajustments / utilisation	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to						
Property, plant and equipment and intangible assets	95	50	-	-	-	145
Provision for employee benefits	531	101	5	-	17	654
Cash flow hedges	(12)	-	19	-	-	7
Receivables, financial assets at amortised cost	340	46	-	-	2	388
MAT credit entitlement	1,170	(96)	-	-	-	1,074
Branch profit tax	(299)	15	-	-	-	(284)
Undistributed earnings of subsidiaries	(574)	288	-	-	-	(286)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(149)	(1)	(334)	-	-	(484)
Lease liabilities*	264	80	-	-	1	345
Others	418	94	-	-	(22)	490
	1,784	**577**	**(310)**	**-**	**(2)**	**2,049**

*Opening balance of deferred tax on lease liabilities has been restated by ₹170 crore to give impact of transition to Ind AS 116.

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

As at March 31, 2020	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	279	134	145
Provision for employee benefits	663	9	654
Cash flow hedges	7	-	7
Receivables, financial assets at amortised cost	387	(1)	388
MAT credit entitlement	1,074	-	1,074
Branch profit tax	-	284	(284)
Undistributed earnings of subsidiaries	-	286	(286)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(483)	1	(484)
Lease liabilities	342	(3)	345
Others	559	69	490
	2,828	**779**	**2,049**

Under the Income-tax Act, 1961, unabsorbed business losses expire 8 years after the year in which they originate. In respect of certain foreign subsidiaries, business losses can be carried forward indefinitely unless there is a substantial change in the ownership.

Unrecognised deferred tax assets relate primarily to business losses and tax credit entitlements which do not qualify for recognition as per the applicable accounting standards. These unexpired business losses will expire based on the year of origination as follows:

(₹ crore)

March 31,	Unabsorbed business losses
2022	3
2023	3
2024	8
2025	5
2026	1
Thereafter	-
	20

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

Deferred tax liability on temporary differences of ₹9,100 crore as at March 31, 2021, associated with investments in subsidiaries, has not been recognised, as it is the intention of Tata Consultancy Services Limited to reinvest the earnings of these subsidiaries for the foreseeable future.

Direct tax contingencies

The Company and its subsidiaries have ongoing disputes with income tax authorities in India and in some of the jurisdictions where they operate. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances and characterisation of fees for services received. The Company and its subsidiaries have contingent liability of ₹955 crore and ₹1,512 crore as at March 31, 2021 and 2020, respectively, in respect of tax demands which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants. In respect of tax contingencies of ₹318 crore and ₹318 crore as at March 31, 2021 and 2020, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

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

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2018 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2017 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.

18) 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, 2021	Year ended March 31, 2020
Profit for the year attributable to shareholders of the Company (₹ crore)	32,430	32,340
Weighted average number of equity shares	374,01,10,733	375,23,84,706
Basic and diluted earnings per share (₹)	86.71	86.19
Face value per equity share (₹)	1	1

19) Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

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

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment or manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

The assets and liabilities of the Group are used interchangeably amongst segments. Allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence assets and liabilities have not been identified to any of the reportable segments.

Summarised segment information for the years ended March 31, 2021 and 2020 is as follows:

Year ended March 31, 2021 (₹ crore)

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue from operations	**65,634**	**15,950**	**25,589**	**27,077**	**29,927**	**1,64,177**
Segment result	**18,681**	**4,483**	**7,151**	**8,010**	**8,221**	**46,546**
Total unallocable expenses*						5,920
Operating income						**40,626**
Other income						3,134
Profit before tax						**43,760**
Tax expense						11,198
Profit for the year						**32,562**
Depreciation and amortisation expense (unallocable)						4,065
Significant non-cash items (allocable)	15	1	78	9	98	201

*Includes the provision towards legal claim of ₹1,218 crore. Refer note 20.

Year ended March 31, 2020 (₹ crore)

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue from operations	**61,095**	**16,468**	**26,280**	**25,978**	**27,128**	**1,56,949**
Segment result	**16,950**	**4,445**	**6,870**	**7,703**	**6,141**	**42,109**
Total unallocable expenses						4,453
Operating income						**37,656**
Other income						4,592
Profit before tax						**42,248**
Tax expense						9,801
Profit for the year						**32,447**
Depreciation and amortisation expense (unallocable)						3,529
Significant non-cash items (allocable)	(2)	-	18	8	120	144

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

Information regarding geographical revenue is as follows:

(₹ crore)

Geography	Year ended March 31, 2021	Year ended March 31, 2020
Americas (1)	84,278	82,000
Europe (2)	52,346	48,037
India	8,449	8,964
Others	19,104	17,948
	1,64,177	**1,56,949**

Geographical non-current assets (property, plant and equipment, right-of-use assets, goodwill, other intangible assets, income tax assets and other non-current assets) are allocated based on the location of the assets.

Information regarding geographical non-current assets is as follows:

(₹ crore)

Geography	As at March 31, 2021	As at March 31, 2020
Americas (3)	2,470	2,596
Europe (4)	4,018	3,382
India	17,901	18,920
Others	1,016	1,109
	25,405	**26,007**

- (1) and (3) are substantially related to operations in the United States of America.
- (2) includes revenue in the United Kingdom of ₹25,659 crore and ₹24,899 crore for the years ended March 31, 2021 and 2020, respectively.
- (4) includes non-current assets in the United Kingdom of ₹1,546 crore and ₹1,245 crore as at March 31, 2021 and 2020, respectively.

Information about major customers

No single customer represents 10% or more of the Group's total revenue for the years ended March 31, 2021 and 2020, respectively.

20) Commitments and contingencies

Capital commitments

The Group has contractually committed (net of advances) ₹1,071 crore and ₹1,396 crore as at March 31, 2021 and 2020, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

  Refer note 17.

- **Indirect tax matters**

  The Company and its subsidiaries in India have ongoing disputes with Indian tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company and its subsidiaries have demands amounting to ₹556 crore and ₹517 crore as at March 31, 2021 and 2020, respectively, from various indirect tax authorities which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

- **Other claims**

  Claims aggregating ₹194 crore and ₹211 crore as at March 31, 2021 and 2020, respectively, against the Group 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 ₹6,900 crore (US $940 million) to Epic which was thereafter reduced by the Trial Court to ₹3,083 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 ₹734 crore (US $100 million) award and ₹1,468 crore (US $200 million) in punitive damages. On August 20, 2020, the Appeals Court vacated the award of ₹2,055 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 ₹1,028 crore (US $140 million), affirmed the District Court's decision vacating the jury's award of ₹734 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 ₹1,028 crore (US $140 million) in compensatory damages for use of the comparative analysis by the Company. The Company filed a petition for re-hearing of compensatory and punitive damages at the Appeals Court on September 3, 2020. Epic also filed for re-hearing that portion of the Appeals Court's decision that invalidated award of punitive damages.

In November 2020, the petitions for re-hearing filed by the Company and Epic, respectively, were denied by the Appeals Court. 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 has approached the Supreme Court seeking review of the order of the Appeals Court vacating the award of ₹2,055 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 ₹1,028 crore (US $140 million). 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 has provided ₹1,218 crore (US $165 million) towards this legal claim in its statement of profit and loss for the year ended March 31, 2021. This has been presented as an "exceptional item" in the consolidated statement of profit and loss.

Pursuant to US Court procedures, a Letter of Credit has been made available to Epic for ₹3,230 crore (US $440 million) as financial security in order to stay execution of the judgement pending post-appeal proceedings and conclusion.

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

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

Name of the entity	Country of incorporation	% of voting power as at March 31, 2021	% of voting power as at March 31, 2020	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
Tata Consultancy Services Limited	India	-	-	80.20	74,794	86.46	30,960	(48.34)	73	87.03	31,033
Subsidiaries (held directly)											
Indian											
APTOnline Limited	India	89.00	89.00	0.11	101	0.04	15	-	-	0.04	15
MP Online Limited	India	89.00	89.00	0.11	104	0.04	16	-	-	0.04	16
C-Edge Technologies Limited	India	51.00	51.00	0.30	277	0.20	72	-	-	0.20	72
MahaOnline Limited	India	74.00	74.00	0.09	82	0.01	4	-	-	0.01	4
TCS e-Serve International Limited	India	100.00	100.00	0.07	69	0.14	51	0.66	(1)	0.14	50
TCS Foundation	India	100.00	100.00	1.17	1,088	0.26	93	-	-	0.26	93
Foreign											
Diligenta Limited	U.K.	100.00	100.00	1.50	1,403	0.74	265	4.64	(7)	0.72	258
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00	1.04	970	1.31	468	-	-	1.31	468
Tata America International Corporation	U.S.A.	100.00	100.00	1.26	1,174	1.84	659	1.32	(2)	1.84	657
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	100.00	100.00	0.95	885	0.64	230	-	-	0.65	230
Tata Consultancy Services Belgium	Belgium	100.00	100.00	0.55	511	0.47	167	-	-	0.47	167
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00	0.74	692	0.60	216	6.62	(10)	0.58	206
Tata Consultancy Services Netherlands BV	Netherlands	100.00	100.00	3.01	2,811	0.96	344	-	-	0.96	344
Tata Consultancy Services Sverige AB	Sweden	100.00	100.00	0.81	758	0.42	152	-	-	0.43	152
TCS FNS Pty Limited	Australia	100.00	100.00	0.16	145	0.22	77	-	-	0.22	77
TCS Iberoamerica SA	Uruguay	100.00	100.00	1.70	1,588	1.07	384	-	-	1.08	384
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	100.00	100.00	0.06	53	0.07	25	-	-	0.07	25

Name of the entity	Country of incorporation	% of voting power as at March 31, 2021	% of voting power as at March 31, 2020	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
CMC Americas, Inc.	U.S.A.	-	100.00	-	-	0.08	30	-	-	0.08	30
Tata Consultancy Services Qatar S.S.C.	Qatar	100.00	100.00	0.03	31	-	-	-	-	-	-
W12 Studios Limited	U.K.	100.00	100.00	0.03	28	-	-	-	-	-	-
Tata Consultancy Services Ireland Limited	Ireland	100.00	-	0.25	230	0.04	14	-	-	0.04	14
Subsidiaries (held indirectly)											
Foreign											
TCS e-Serve America, Inc.	U.S.A.	100.00	100.00	-	2	0.04	16	-	-	0.04	16
Tata Consultancy Services (China) Co., Ltd.	China	93.20	93.20	0.25	230	0.15	52	-	-	0.15	52
Tata Consultancy Services Japan, Ltd.	Japan	66.00	66.00	1.52	1,422	0.65	231	-	-	0.65	231
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	100.00	0.10	94	0.08	27	-	-	0.08	27
PT Tata Consultancy Services Indonesia	Indonesia	100.00	100.00	0.03	29	0.03	12	-	-	0.03	12
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00	0.11	98	0.01	3	(0.66)	1	0.01	4
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00	0.02	15	0.03	10	-	-	0.03	10
TCS Italia s.r.l.	Italy	100.00	100.00	0.06	58	0.07	26	-	-	0.07	26
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00	0.12	110	0.15	53	-	-	0.15	53
Tata Consultancy Services Switzerland Ltd.	Switzerland	100.00	100.00	0.58	545	0.69	248	4.64	(7)	0.68	241
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00	0.01	5	-	-	-	-	-	-
Tata Consultancy Services Danmark ApS	Denmark	100.00	100.00	0.01	6	-	-	-	-	-	-
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00	0.06	53	0.03	11	-	-	0.03	11
Tata Consultancy Services (Portugal) Unipessoal, Limitada	Portugal	100.00	100.00	0.01	5	0.01	5	-	-	0.01	5

Name of the entity	Country of incorporation	% of voting power as at March 31, 2021	% of voting power as at March 31, 2020	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
Tata Consultancy Services France	France	100.00	100.00	(0.46)	(432)	(0.03)	(9)	2.65	(4)	(0.04)	(13)
Tata Consultancy Services Saudi Arabia	Saudi Arabia	76.00	76.00	0.29	271	0.08	27	(0.66)	1	0.08	28
TCS Business Services GmbH	Germany	100.00	100.00	(0.03)	(28)	(0.01)	(3)	16.56	(25)	(0.08)	(28)
Postbank Systems AG	Germany	100.00	-	(0.02)	(21)	(0.14)	(51)	106.62	(161)	(0.59)	(212)
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	100.00	100.00	0.09	85	0.09	34	-	-	0.10	34
TCS Financial Solutions Beijing Co., Ltd.	China	100.00	100.00	0.04	37	0.03	9	-	-	0.03	9
TCS Financial Solutions Australia Pty Limited	Australia	100.00	100.00	0.09	81	0.11	40	-	-	0.11	40
TCS Solution Center S.A.	Uruguay	100.00	100.00	0.37	342	0.33	119	-	-	0.33	119
TCS Uruguay S.A.	Uruguay	100.00	100.00	0.10	96	0.83	296	-	-	0.83	296
Tata Consultancy Services Argentina S.A.	Argentina	100.00	100.00	-	2	(0.01)	(2)	-	-	(0.01)	(2)
Tata Consultancy Services Do Brasil Ltda	Brazil	100.00	100.00	0.21	200	0.20	71	-	-	0.20	71
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	100.00	100.00	1.08	1,004	0.68	244	4.64	(7)	0.66	237
MGDC S.C.	Mexico	100.00	100.00	0.06	57	0.12	44	1.31	(2)	0.12	42
TCS Inversiones Chile Limitada	Chile	100.00	100.00	0.35	327	0.01	2	-	-	0.01	2
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00	0.42	393	(0.01)	(2)	-	-	(0.01)	(2)
Technology Outsourcing S.A.C.	Peru	-	100.00	-	-	(0.02)	(7)	-	-	(0.02)	(7)
TATASOLUTION CENTER S.A.	Ecuador	100.00	100.00	0.11	103	0.13	45	-	-	0.13	45
Trusts	India	-	-	0.28	277	0.06	14	-	-	0.05	14
TOTAL				**100.00**	**93,260**	**100.00**	**35,807**	**100.00**	**(151)**	**100.00**	**35,656**
a) Adjustments arising out of consolidation					**(6,152)**		**(3,245)**		**612**		**(2,632)**

Name of the entity	Country of incorporation	% of voting power as at March 31, 2021	% of voting power as at March 31, 2020	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
				As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
b) Non-controlling interests											
Indian subsidiaries											
APTOnline Limited					(11)		(2)		-		(2)
MP Online Limited					(11)		(2)		-		(2)
C-Edge Technologies Limited					(136)		(40)		-		(40)
MahaOnline Limited					(21)		(2)		-		(2)
Foreign subsidiaries											
Tata Consultancy Services (China) Co., Ltd.					(16)		(4)		-		(4)
Tata Consultancy Services Japan, Ltd.					(480)		(82)		23		(59)
					(675)		**(132)**		**23**		**(109)**
TOTAL					**86.433**		**32,430**		**484**		**32,915**

Notes:

1. CMC Americas, Inc. was liquidated w.e.f. December 16, 2020.
2. Tata Consultancy Services Ireland Limited was incorporated on December 2, 2020.
3. Tata Consultancy Services France SA was renamed as Tata Consultancy Services France.
4. Equity stake in Postbank Systems AG acquired w.e.f. January 1, 2021.
5. Equity stake in Technology Outsourcing S.A.C. was sold on December 1, 2020.

22) 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 Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business. Refer note 21 for list of subsidiaries of the Company.

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

Transactions with related parties are as follows:

(₹ crore)

	Year ended March 31, 2021				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue from operations	35	609	2,205	-	2,849
Purchases of goods and services (including reimbursements)	1	475	361	-	837
Brand equity contribution	180	-	-	-	180
Facility expenses	-	20	42	-	62
Lease rental	1	36	45	-	82
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	-	2	-	-	2
Contribution and advance to post employment benefit plans	-	-	-	5,913	5,913
Purchase of property, plant and equipment	-	3	88	-	91
Loans and advances given	-	1	6	-	7
Loans and advances recovered	-	1	10	-	11
Advances taken	-	1	5	-	6
Dividend paid	7,817	4	3	-	7,824
Buy-back of shares	9,998	4	-	-	10,002

(₹ crore)

	Year ended March 31, 2020				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Revenue from operations	31	432	2,193	-	2,656
Purchases of goods and services (including reimbursements)	1	556	457	-	1,014
Brand equity contribution	162	-	-	-	162
Facility expenses	-	3	1	-	4
Lease rental	2	68	26	-	96
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	1	-	-	-	1
Contribution and advance to post employment benefit plans	-	-	-	2,684	2,684
Purchase of property, plant and equipment	-	219	110	-	329
Loans and advances given	-	4	85	-	89
Loans and advances recovered	-	3	30	-	33
Dividend paid	22,971	9	-	-	22,980

Balances receivable from related parties are as follows:

(₹ crore)

	As at March 31, 2021				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables, unbilled receivables and contract assets	8	260	714	-	982
Loans, other financial assets and other assets	9	27	62	-	98
	17	**287**	**776**	**-**	**1,080**

(₹ crore)

	As at March 31, 2020				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade receivables, unbilled receivables and contract assets	4	246	681	-	931
Loans, other financial assets and other assets	10	30	65	-	105
	14	**276**	**746**	**-**	**1,036**

Balances payable to related parties are as follows:

(₹ crore)

	As at March 31, 2021				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	175	299	394	-	868
Commitments	-	10	270	-	280

(₹ crore)

	As at March 31, 2020				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	148	246	244	-	638
Commitments	-	11	367	-	378

Material related party transactions are as follows:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations		
Jaguar Land Rover Limited	1,093	1,142
Tata Steel IJmuiden BV	452	351

Material related party balances are as follows:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Trade receivables, unbilled receivables and contract assets		
Jaguar Land Rover Limited	290	209

Transactions with key management personnel are as follows:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Short-term benefits	43	28
Dividend paid during the year	1	2
	44	**30**

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.

23) The sitting fees and commission paid to non-executive directors is ₹10 crore and ₹9 crore as at March 31, 2021 and 2020, respectively.

24) 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 has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are notified and 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.

25) Dividends

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 for the year ended March 31, 2021. Dividends paid during the year ended March 31, 2020 include an amount of ₹18.00 per equity share towards final dividend for the year ended March 31, 2019 and an amount of ₹67.00 per equity share towards interim dividends (including special dividend) for the year ended March 31, 2020.

Dividends declared by the Company are based on profits available for distribution. On April 12, 2021, the Board of Directors of the Company have proposed a final dividend of ₹15.00 per share in respect of the year ended March 31, 2021 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹5,549 crore.

As per our report of even date attached

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

Amit Somani
Partner
Membership No: 060154

Bengaluru, April 12, 2021

For and on behalf of the Board

Rajesh Gopinathan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 12, 2021

Standalone Financial Statements



Independent Auditors' 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 2021, 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 2021, and profit and other comprehensive income, 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 we have obtained 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.

Description of Key Audit Matters

Key audit matters	How our audit addressed the key audit matter
Revenue recognition– Fixed price contracts	
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). We identified revenue recognition of fixed price contracts as a Key Audit Matter since – • 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; • 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; • these contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Company; and • at year-end, significant amount of work in progress (Contract assets), related to these contracts are recognised on the balance sheet.	Our audit procedures included the following: • 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. • Including involvement of our Information technology ('IT') specialists, as required: ➢ Assessed the IT environment in which the business systems operate and tested system controls over computation of revenue recognised; ➢ Tested the IT controls over appropriateness of cost and revenue reports generated by the system; ➢ Tested the controls pertaining to allocation of resources and budgeting systems which prevent the unauthorized recording/changes to costs incurred; and ➢ Tested on a random sampling basis the controls relating to the estimation of contract costs required to complete the respective projects. • On selected specific and statistical samples of contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard– ➢ Evaluated the identification of performance obligations and the ascribed transaction price; ➢ Tested Company's computation of the estimation of contract costs and onerous obligations, if any. We: • assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management personnel; • 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; • 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 • inspected underlying documents and performed analytics to determine reasonableness of contract costs.

Key audit matters	How our audit addressed the key audit matter
Evaluation of key tax matters	
The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant judgment by the Company to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements. Refer Note 4(e) and Note 19 to the standalone financial statements.	Our audit procedures included the following: • understood, assessed and tested the design, implementation and operating effectiveness of key controls over taxes; • Obtained an understanding of key tax matters; • The audit team, along with our internal tax experts - ➢ read and analysed select key correspondences, external legal opinions/ consultations obtained by the Company for key tax matters; ➢ evaluated and challenged key assumptions made by the Company in estimating the current and deferred tax balances; ➢ assessed and challenged the Company's estimate of the possible outcome of the disputed cases by considering legal precedence and other judicial rulings; and ➢ Assessed and tested the presentation and disclosures relating to taxes in the standalone financial statements.
Assessment of provision towards legal claim	
Refer to Note 4(f) to the standalone financial statements – "Use of estimates and judgements – Provisions and contingent liabilities" and Note 19 to the standalone financial statements – "Commitments and contingencies"	Our audit procedures included the following: • obtained management assessment on the litigation along with the communications made to the Board of Directors and regulators;

Key audit matters	How our audit addressed the key audit matter
The Company has ongoing legal proceedings with Epic Systems Corporation (referred to as Epic), for alleged unauthorised access to and download of Epic's confidential information and use thereof in the development of the Company's product MedMantra. The Company in the current year has recorded a provision of ₹1,218 crore (US $165 million) towards this legal claim in its 'Standalone Statement of Profit and Loss'. This has been presented as an "exceptional item" in the Standalone Statement of Profit and Loss. Due to the complexity involved in this litigation, the Company applied judgement in measuring and recognizing provision towards the legal claim. This process involved an evaluation based on judicial precedents and views shared by the lawyers (external and internal) of the Company and detailed deliberations with the Company's senior management. Accordingly, it has been considered as a key audit matter.	• read and considered final orders by various courts on this matter; • read and considered all available submissions filed by both Epic and the Company to various courts till date; • considered legal views obtained by the Company from external law firms and the relevant judicial precedents considered by the Company in their assessment of provision towards this legal claim; • conducted detailed discussions with in-house legal head and Company's senior management, to understand their assessment on the most likely outcome of this litigation and to understand the basis considered for the provision towards this legal claim; and • assessed the adequacy of provision recorded and evaluated disclosures in the standalone financial statements in relation to this legal claim.

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.

Our opinion on the standalone financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility 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 (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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, 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.

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 in the standalone financial statements 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 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 auditors' 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 19 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' 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
Partner
Membership No: 060154
UDIN: 21060154AAAAAU5511

Bengaluru
12 April 2021

Annexure A to the Independent Auditors' report on the standalone financial statements of Tata Consultancy Services Limited for the year ended 31 March 2021

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

In respect of immovable properties taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident

fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income- tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of the Dues	Amount (₹ in crores)**	Period	Forum where dispute is pending
The Income-tax Act, 1961	Income-tax	1,222	Assessment Year - 2007-08, 2011-12, 2015-16	Commissioner of Income Tax (Appeals)
		193	Assessment Year - 2006-07	Income-Tax Appellate Tribunal
The Central Sales Tax Act, 1956 and Value Added Tax Act	Sales tax and VAT	218	Financial Year - 1994-1995, 2004-2005, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016	High Court
		8	Financial Year-1990-1991, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2011-2012, 2012-2013	Tribunal
The Finance Act, 1994	Service tax	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
		15	Financial Year - 1997-1998, 2005-2006, 2010-11, 2011-12, 2012-13, 2013-2014, 2014-2015, 2015-2016, 2016-2017	Joint Commissioner
		-*	Financial Year - 2002-2003, 2003-2004, 2004-2005	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	19	Financial Year – 2019-20, 2020-21	Commissioner Appeals

*Indicates amount less than ₹0.50 crore
**These amounts are net of amount paid/ adjusted under protest ₹767 Crores

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or Government and there are no dues to debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Amit Somani
Partner
Membership No: 060154
UDIN: 21060154AAAAAU5511

Bengaluru
12 April 2021

Annexure B to the Independent Auditors' Report on the standalone financial statements of Tata Consultancy Services Limited for the year ended 31 March 2021

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 2021 in conjunction with our audit of the standalone financial statements of the Company 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 2021, 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 Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls 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. 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 Companies Act, 2013 (hereinafter referred to as "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.

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

Amit Somani
Partner
Membership No: 060154
UDIN: 21060154AAAAAU5511

Bengaluru
12 April 2021

Standalone Balance Sheet

(₹ crore)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	8(a)	9,821	9,835
Capital work-in-progress	8(a)	861	781
Right-of-use assets	7	5,876	6,048
Intangible assets	8(b)	362	239
Financial assets			
Investments	6(a)	2,405	2,189
Trade receivables	6(b)	55	74
Unbilled receivables		260	324
Loans	6(e)	2	2
Other financial assets	6(f)	645	624
Income tax assets (net)		1,501	2,020
Deferred tax assets (net)	15	3,160	2,219
Other assets	8(c)	1,273	1,426
Total non-current assets		**26,221**	**25,781**
Current assets			
Inventories	8(d)	7	5
Financial assets			
Investments	6(a)	28,324	25,686
Trade receivables	6(b)	25,222	28,660
Unbilled receivables		5,399	4,763
Cash and cash equivalents	6(c)	1,112	3,852
Other balances with banks	6(d)	2,030	972
Loans	6(e)	10,486	7,270
Other financial assets	6(f)	1,363	1,448
Other assets	8(c)	9,217	6,538
Total current assets		**83,160**	**79,194**
TOTAL ASSETS		**1,09,381**	**1,04,975**
EQUITY AND LIABILITIES			
Equity			
Share capital	6(m)	370	375
Other equity	9	74,424	73,993
Total equity		**74,794**	**74,368**

Standalone Balance Sheet

(₹ crore)

	Note	As at March 31, 2021	As at March 31, 2020
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		5,077	5,262
Other financial liabilities	6(h)	228	237
Unearned and deferred revenue		284	644
Employee benefit obligations	12	108	91
Deferred tax liabilities (net)	15	365	347
Total non-current liabilities		**6,062**	**6,581**
Current liabilities			
Financial liabilities			
Lease liabilities		835	848
Trade payables			
Dues of small enterprises and micro enterprises	6(g)	-	-
Dues of creditors other than small enterprises and micro enterprises		7,962	8,734
Other financial liabilities	6(h)	4,473	4,694
Unearned and deferred revenue		2,877	2,271
Other liabilities	8(e)	2,720	2,048
Provisions	8(f)	1,350	235
Employee benefit obligations	12	2,598	2,057
Income tax liabilities (net)		5,710	3,139
Total current liabilities		**28,525**	**24,026**
TOTAL EQUITY AND LIABILITIES		**1,09,381**	**1,04,975**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached

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

Amit Somani
Partner
Membership No: 060154

Bengaluru, April 12, 2021

For and on behalf of the Board

Rajesh Gopinathan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 12, 2021

Standalone Statement of Profit and Loss

(₹ crore)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	10	1,35,963	1,31,306
Other income	11	5,400	8,082
TOTAL INCOME		**1,41,363**	**1,39,388**
Expenses			
Employee benefit expenses	12	69,046	64,906
Cost of equipment and software licences	13(a)	1,230	1,596
Finance costs	14	537	743
Depreciation and amortisation expense		3,053	2,701
Other expenses	13(b)	25,377	27,451
TOTAL EXPENSES		**99,243**	**97,397**
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		**42,120**	**41,991**
Exceptional item			
Provision towards legal claim	19	1,218	-
PROFIT BEFORE TAX		**40,902**	**41,991**
Tax expense			
Current tax	15	10,300	9,012
Deferred tax	15	(358)	(281)
TOTAL TAX EXPENSE		**9,942**	**8,731**
PROFIT FOR THE YEAR		**30,960**	**33,260**
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		(16)	(409)
Income tax on items that will not be reclassified subsequently to profit or loss		3	86
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		51	958
Net change in intrinsic value of derivatives designated as cash flow hedges		14	(94)
Net change in time value of derivatives designated as cash flow hedges		53	(52)
Income tax on items that will be reclassified subsequently to profit or loss		(32)	(315)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**73**	**174**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**31,033**	**33,434**
Earnings per equity share:- Basic and diluted (₹)	16	82.78	88.64
Weighted average number of equity shares		374,01,10,733	375,23,84,706

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no:
101248W/W-100022

Amit Somani
Partner
Membership No: 060154

Bengaluru, April 12, 2021

For and on behalf of the Board

Rajesh Gopinathan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 12, 2021

Standalone Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crore)

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
375	-	375

(₹ crore)

Balance as at April 1, 2020	Changes in equity share capital during the year[1]	Balance as at March 31, 2021
375	(5)	370

[1]Refer note 6(m).

B. OTHER EQUITY

(₹ crore)

	Reserves and surplus				Items of other comprehensive income			Total Equity
	Capital reserve*	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Investment revaluation reserve	Cash flow hedging reserve		
						Intrinsic value	Time value	
Balance as at April 1, 2019	**-**	**8**	**994**	**77,159**	**258**	**134**	**(30)**	**78,523**
Transition impact of Ind AS 116, net of tax	-	-	-	(330)	-	-	-	(330)
Restated balance as at April 1, 2019	**-**	**8**	**994**	**76,829**	**258**	**134**	**(30)**	**78,193**
Profit for the year	-	-	-	33,260	-	-	-	33,260
Other comprehensive income / (losses)	-	-	-	(323)	624	(89)	(38)	174
Total comprehensive income	**-**	**-**	**-**	**32,937**	**624**	**(89)**	**(38)**	**33,434**
Dividend (including tax on dividend of ₹5,738 crore)	-	-	-	(37,634)	-	-	-	(37,634)
Transfer to Special Economic Zone re-investment reserve	-	-	2,947	(2,947)	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	(2347)	2,347	-	-	-	-
Balance as at March 31, 2020	**-**	**8**	**1,594**	**71,532**	**882**	**45**	**(68)**	**73,993**

Standalone Statement of Changes in Equity

(₹ crore)

	Reserves and surplus				Items of other comprehensive income			Total Equity
	Capital reserve*	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Investment revaluation reserve	Cash flow hedging reserve		
						Intrinsic value	Time value	
Balance as at April 1, 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
Total comprehensive income	**-**	**-**	**-**	**30,947**	**34**	**11**	**41**	**31,033**
Dividend	-	-	-	(10,850)	-	-	-	(10,850)
Expenses for buy-back of equity shares[1]	-	-	-	(31)	-	-	-	(31)
Tax on buy-back of equity shares[1]	-	-	-	(3,726)	-	-	-	(3,726)
Buy-back of equity shares[1]	-	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	-	-	-	-
Balance as at March 31, 2021	**-**	**13**	**2,538**	**70,928**	**916**	**56**	**(27)**	**74,424**

*Represents values less than ₹0.50 crore.

[1]Refer Note 6(m).

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

Amit Somani
Partner
Membership No: 060154

Bengaluru, April 12, 2021

For and on behalf of the Board

Rajesh Gopinathan	**N Ganapathy Subramaniam**
CEO and Managing Director	*COO and Executive Director*
V Ramakrishnan	**Rajendra Moholkar**
CFO	*Company Secretary*

Mumbai, April 12, 2021

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	30,960	33,260
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation and amortisation expense	3,053	2,701
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	185	132
Provision towards legal claim (Refer note 19)	1,218	-
Tax expense	9,942	8,731
Net gain on lease modification	(89)	(4)
Unrealised foreign exchange gain	(20)	(130)
Net gain on disposal of property, plant and equipment	(19)	(50)
Net gain on investments	(193)	(197)
Interest income	(2,383)	(3,197)
Dividend income (Including exchange impact)	(2,211)	(3,995)
Finance costs	537	743
Realised foreign exchange gain on proceeds from liquidation of wholly owned subsidiary (Refer note 6(a))	(5)	-
Operating profit before working capital changes	**40,975**	**37,994**
Net change in		
Inventories	(3)	5
Trade receivables	3,282	(4,736)
Unbilled receivables	(572)	(311)

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Loans and other financial assets	(54)	(72)
Other assets	(2,432)	(3,072)
Trade payables	(771)	1,042
Unearned and deferred revenue	246	449
Other financial liabilities	(171)	1,183
Other liabilities and provisions	1,127	487
Cash generated from operations	**41,627**	**32,969**
Taxes paid (net of refunds)	(7,805)	(6,366)
Net cash generated from operating activities	**33,822**	**26,603**
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	(5,678)	(6,999)
Inter-corporate deposits placed	(20,139)	(13,694)
Purchase of investments	(51,822)	(77,191)
Payment for purchase of property, plant and equipment	(2,071)	(1,951)
Payment including advances for acquiring right-of-use assets	(101)	(519)
Payment for purchase of intangible assets	(242)	(172)
Payment towards subscription of shares in wholly owned subsidiary (Refer note 6(a))	(224)	-
Proceeds from bank deposits	4,617	11,612
Proceeds from inter-corporate deposits	16,892	13,400
Proceeds from disposal / redemption of investments	49,333	80,865
Proceeds from disposal of property, plant and equipment	31	130

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Proceeds from liquidation of wholly owned subsidiary (Refer note 6(a))	12	-
Interest received	2,605	3,353
Dividend received from subsidiaries	2,211	3,995
Net cash generated from / (used in) investing activities	**(4,576)**	**12,829**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(879)	(668)
Interest paid	(537)	(743)
Dividend paid (including tax on dividend in previous year)	(10,850)	(37,634)
Transfer of funds to buy-back escrow account	(160)	-
Transfer of funds from buy-back escrow account	160	-
Expenses for buy-back of equity shares (Refer note 6(m))	(31)	-
Tax on buy-back of equity shares (Refer note 6(m))	(3,726)	-
Buy-back of equity shares (Refer note 6(m))	(16,000)	-
Net cash used in financing activities	**(32,023)**	**(39,045)**
Net change in cash and cash equivalents	**(2,777)**	**387**
Cash and cash equivalents at the beginning of the year	3,852	3,327
Exchange difference on translation of foreign currency cash and cash equivalents	37	138
Cash and cash equivalents at the end of the year (Refer note 6(c))	**1,112**	**3,852**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached

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

Amit Somani
Partner
Membership No: 060154

Bengaluru, April 12, 2021

For and on behalf of the Board

Rajesh Gopinathan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 12, 2021

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, 2021, Tata Sons Private Limited, the holding company owned 72.16% of the Company's equity share capital.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2021 and authorised for issue on April 12, 2021.

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 date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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 the 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 the standalone financial statements and the reported amounts of income and expense for the periods presented.

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

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

(a) Revenue recognition

Revenue for fixed-price contract 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 disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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.

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 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

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

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.

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 time value and intrinsic value of an option is recognised in the statement of other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit and loss. Any gain or loss is recognised immediately in 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 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.

(a) Investments

Investments consist of the following:

Investments – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Investment in subsidiaries		
Fully paid equity shares (unquoted)	2,405	2,189
Investments designated at fair value through OCI		
Fully paid equity shares (unquoted)		
Taj Air Limited	19	19
Less: Impairment in value of investments	(19)	(19)
	2,405	**2,189**

Investments – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Investments carried at fair value through profit or loss		
Mutual fund units (quoted)	4,068	1,264
Investments carried at fair value through OCI		
Government bonds and securities (quoted)	23,670	24,290
Corporate bonds (quoted)	450	132
Investments carried at amortised cost		
Commercial papers (quoted)	136	-
	28,324	**25,686**

Government bonds and securities includes bonds pledged with bank for credit facility amounting to ₹1,650 crore and NIL as at March 31, 2021 and 2020, respectively.

Aggregate value of quoted and unquoted investments is as follows:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Aggregate value of quoted investments	28,324	25,686
Aggregate value of unquoted investments (net of impairment)	2,405	2,189
Aggregate market value of quoted investments	28,324	25,686
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, 2021	As at March 31, 2020
Commercial Paper	136	-

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, 2021	As at March 31, 2020
			Fully paid equity shares (unquoted)		
212,27,83,424	UYU	1	TCS Iberoamerica SA	461	461
15,75,300	INR	10	APTOnline Limited	-	-
1,300	EUR	-	Tata Consultancy Services Belgium	1	1
66,000	EUR	1,000	Tata Consultancy Services Netherlands BV	403	403

(₹ crore)

In Numbers	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2021	As at March 31, 2020
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 S.S.C.	2	2

(₹ crore)

In Numbers	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2021	As at March 31, 2020
16,00,01,000	USD	0.01	CMC Americas, Inc.[1]	-	8
10,00,000	INR	100	TCS e-Serve International Limited	10	10
1,00,500	GBP	0.00001	W12 Studios Limited	66	66
2,50,00,000	EUR	1	Tata Consultancy Services Ireland Limited[2]	224	-
10,00,000	INR	10	TCS Foundation	-	-
				2,405	**2,189**

(₹ crore)

In Numbers	Currency	Face value per share	Equity instruments designated at fair value through OCI	As at March 31, 2021	As at March 31, 2020
			Fully paid equity shares (unquoted)		
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. CMC Americas, Inc., a wholly owned subsidiary of the Company incorporated in USA, was liquidated w.e.f. December 16, 2020.
2. The Company incorporated a wholly owned subsidiary, Tata Consultancy Services Ireland Limited in Ireland on December 2, 2020.

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**882**	**258**
Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	51	972
Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(17)	(340)
Net cumulative (gain) / loss reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	-	(14)
Deferred tax relating to net cumulative (gain) / loss reclassified to statement of profit and loss on sale of investments other than equities carried at fair value through other comprehensive income	-	6
Balance at the end of the year	**916**	**882**

(b) Trade receivables

Trade receivables (unsecured) consist of the following:

Trade receivables – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Trade receivables	787	656
Less: Allowance for doubtful trade receivables	(732)	(582)
Considered good	**55**	**74**

Trade receivables – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Trade receivables	25,361	28,822
Less: Allowance for doubtful trade receivables	(183)	(227)
Considered good	**25,178**	**28,595**
Trade receivables	211	194
Less: Allowance for doubtful trade receivables	(167)	(129)
Credit impaired	**44**	**65**
	25,222	28,660

Above balances of trade receivables include balances with related parties (Refer note 21).

(c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In current accounts	1,032	3,848
In deposit accounts	77	4
Cheques on hand*	-	-
Cash on hand*	-	-
Remittances in transit	3	-
	1,112	**3,852**

*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, 2021	As at March 31, 2020
Earmarked balances with banks	182	185
Short-term bank deposits	1,848	787
	2,030	**972**

Earmarked balances with banks primarily relate to margin money for purchase of investments, margin money for derivative contracts and unclaimed dividends.

(e) Loans

Loans (unsecured) consist of the following:

Loans – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Considered good		
Loans and advances to employees	2	2
	2	**2**

Loans – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Considered good		
Inter-corporate deposits	10,291	7,044
Loans and advances to employees	195	226
Credit impaired		
Loans and advances to employees	15	14
Less: Allowance on loans and advances to employees	(15)	(14)
	10,486	**7,270**

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

(f) Other financial assets

Other financial assets consist of the following:

Other financial assets – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Security deposits	632	617
Others	13	7
	645	**624**

Other financial assets – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Security deposits	143	148
Fair value of foreign exchange derivative assets	495	425
Interest receivable	566	691
Others	159	184
	1,363	**1,448**

(g) Dues of small enterprises and micro enterprises

(₹ crore)

	As at March 31, 2021		As at March 31, 2020	
	Principal	Interest	Principal	Interest
Amount due to vendor	-	-	-	-
Amount paid beyond the appointed date during the year	39	-	140	2
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid (includes interest disallowable of NIL (March 31, 2020: NIL))	-	-	-	-

Dues to small enterprises and micro enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company.

(h) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Capital creditors	-	3
Others	228	234
	228	**237**

Others include advance taxes paid of ₹226 crore and ₹226 crore as at March 31, 2021 and 2020, respectively, by the seller of TCS e-Serve Limited (merged with the Company) which, on refund by tax authorities is payable to the seller.

Other financial liabilities – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Accrued payroll	3,029	2,745
Unclaimed dividends	50	53
Fair value of foreign exchange derivative liabilities	92	693
Capital creditors	347	383
Liabilities towards customer contracts	860	759
Others	95	61
	4,473	**4,694**

(i) Financial instruments by category

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	-	-	-	-	25,277	25,277
Unbilled receivables	-	-	-	-	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.

The carrying value of financial instruments by categories as at March 31, 2020 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	-	-	-	-	3,852	3,852
Bank deposits	-	-	-	-	787	787
Earmarked balances with banks	-	-	-	-	185	185
Investments (other than in subsidiary)	1,264	24,422	-	-	-	25,686
Trade receivables	-	-	-	-	28,734	28,734
Unbilled receivables	-	-	-	-	5,087	5,087
Loans	-	-	-	-	7,272	7,272
Other financial assets	-	-	146	279	1,647	2,072
	1,264	**24,422**	**146**	**279**	**47,564**	**73,675**
Financial liabilities						
Trade payables	-	-	-	-	8,734	8,734
Lease liabilities	-	-	-	-	6,110	6,110
Other financial liabilities	-	-	34	659	4,238	4,931
	-	**-**	**34**	**659**	**19,082**	**19,775**

Loans include inter-corporate deposits of ₹7,044 crore, with original maturity period within 12 months.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables, loans and trade payables as at March 31, 2021 and 2020 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is ₹136 crore and NIL as at March 31, 2021 and 2020, respectively.

(j) 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.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

(₹ crore)

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
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
	28,324	**495**	**-**	**28,819**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	92	-	92
	-	**92**	**-**	**92**

(₹ crore)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual fund units	1,264	-	-	1,264
Equity shares	-	-	-	-
Government bonds and securities	24,290	-	-	24,290
Corporate bonds	132	-	-	132
Fair value of foreign exchange derivative assets	-	425	-	425
	25,686	**425**	**-**	**26,111**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	693	-	693
	-	**693**	**-**	**693**

(k) 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 have 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.

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

Foreign currency	As at March 31, 2021			As at March 31, 2020		
	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	1,615	51	55	1,420	20
Great Britain Pound	64	330	14	71	384	59
Euro	60	346	78	38	363	(31)
Australian Dollar	38	206	16	26	192	48
Canadian Dollar	23	114	2	19	104	16

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

(₹ crore)

	Year ended March 31, 2021		Year ended March 31, 2020	
	Intrinsic value	Time value	Intrinsic value	Time value
Balance at the beginning of the year	**45**	**(68)**	**134**	**(30)**
(Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	(341)	530	(449)	513
Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	73	(125)	54	(38)
Change in the fair value of effective portion of cash flow hedges	355	(477)	355	(565)
Deferred tax on fair value of effective portion of cash flow hedges	(76)	113	(49)	52
Balance at the end of the year	**56**	**(27)**	**45**	**(68)**

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, 2021 and 2020, the notional amount of outstanding contracts aggregated to ₹37,615 crore and ₹40,109 crore, respectively, and the respective fair value of these contracts have a net gain of ₹242 crore and net loss of ₹380 crore.

Exchange gain of ₹490 crore and loss of ₹451 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, 2021 and 2020, respectively.

Net foreign exchange gains include loss of ₹189 crore and ₹64 crore transferred from cash flow hedging reserve for the years ended March 31, 2021 and 2020, respectively.

Net gain on derivative instruments of ₹30 crore recognised in cash flow hedging reserve as at March 31, 2021, is expected to be transferred to the statement of profit and loss by March 31, 2022. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2021.

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, 2021	As at March 31, 2020
10% Appreciation of the underlying foreign currencies	(306)	(407)
10% Depreciation of the underlying foreign currencies	1,906	1,261

(I) 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(k).

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.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2020:

(₹ crore)

	USD	EUR	GBP	Others
Net financial assets	4,002	274	329	1,595
Net financial liabilities	(7,097)	(596)	(475)	(678)

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 ₹265 crore for the year ended March 31, 2020.

- **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, unbilled receivables, loans, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹10,291 crore are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹1,848 crore held with one Indian bank having high credit rating which is individually in excess of 10% or more of the Company's total bank deposits as at March 31, 2021. 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 ₹77,949 crore and ₹77,161 crore as at March 31, 2021 and 2020, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments excluding equity and preference investments, trade receivables, unbilled 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, unbilled receivables and contract assets as at March 31, 2021 and March 31, 2020.

- **Geographic concentration of credit risk**

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

	As at March 31, 2021		As at March 31, 2020	
	Gross%	Net%	Gross%	Net%
United States of America	48.67	49.97	47.95	48.96
India	15.32	13.27	14.45	12.80
United Kingdom	17.05	17.42	15.03	15.26

Geographic concentration of trade receivables (gross and net of allowances), unbilled receivables 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, 2021 and 2020 was ₹176 crore and ₹125 crore, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**938**	**837**
Change during the year	176	125
Bad debts written off	(30)	(40)
Translation exchange difference	(2)	16
Balance at the end of the year	**1 082**	**938**

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

(₹ crore)

March 31, 2020	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities					
Trade payables	8,734	-	-	-	8,734
Lease liabilities	1,261	1,099	2,638	3,507	8,505
Other financial liabilities	4,001	10	227	-	4,238
	13,996	**1,109**	**2,865**	**3,507**	**21,477**
Derivative financial liabilities	693	-	-	-	693
	14,689	**1,109**	**2,865**	**3,507**	**22,170**

(m) Equity instruments

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Authorised		
460,05,00,000 equity shares of ₹1 each (March 31, 2020: 460,05,00,000 equity shares of ₹1 each)	460	460
105,02,50,000 preference shares of ₹1 each (March 31, 2020: 105,02,50,000 preference shares of ₹1 each)	105	105
	565	**565**
Issued, Subscribed and Fully paid up		
369,90,51,373 equity shares of ₹1 each (March 31, 2020: 375,23,84,706 equity shares of ₹1 each)	370	375
	370	**375**

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.

The Board of Directors at its meeting held on October 7, 2020, approved a proposal to buy-back upto 5,33,33,333 equity shares of the Company for an aggregate amount not exceeding ₹16,000 crore, being 1.42% of the total paid up equity share capital at ₹3,000 per equity share. The shareholders approved the same on November 18, 2020, by way of a special resolution through postal ballot. A Letter of Offer was made to all eligible shareholders. The Company bought back 5,33,33,333 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on January 6, 2021. Capital redemption reserve was created to the extent of share capital extinguished (₹5 crore). The excess cost of buy-back of ₹16,031 crore (including ₹31 crore towards transaction cost of buy-back) over par value of shares and corresponding tax on buy-back of ₹3,726 crore were offset from retained earnings.

I. Reconciliation of number of shares

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
Equity shares				
Opening balance	**375,23,84,706**	**375**	**375,23,84,706**	**375**
Shares extinguished on buy-back	(5,33,33,333)	(5)	-	-
Closing balance	**369,90,51,373**	**370**	**375,23,84,706**	**375**

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, 2021	As at March 31, 2020
Equity shares		
Holding company		
266,91,25,829 equity shares (March 31, 2020: 270,24,50,947 equity shares) are held by Tata Sons Private Limited	267	270
Subsidiaries and Associates of Holding company		
7,220 equity shares (March 31, 2020: 7,220 equity shares) are held by Tata Industries Limited*	-	-
10,23,685 equity shares (March 31, 2020: 10,36,269 equity shares) are held by Tata Investment Corporation Limited*	-	-
46,798 equity shares (March 31, 2020: 46,798 equity shares) are held by Tata Steel Limited*	-	-
766 equity shares (March 31, 2020: 766 equity shares) are held by The Tata Power Company Limited*	-	-
	267	**270**

*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, 2021	As at March 31, 2020
Equity shares		
Tata Sons Private Limited, the Holding company	266,91,25,829	270,24,50,947
% of shareholding	72.16%	72.02%

V. Equity shares movement during the 5 years preceding March 31, 2021

- **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 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.

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-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, 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
	954	**5,876**

(₹ crore)

	Additions for the year ended March 31, 2020	Net carrying amount as at March 31, 2020
Leasehold land	474	690
Buildings	1,689	5,336
Leasehold improvement	-	20
Computer equipment	-	-
Vehicles	-	2
	2,163	**6,048**

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Leasehold land	8	4
Buildings	995	837
Leasehold improvement	3	5
Computer equipment	3	-
Software licences	1	-
Vehicles	1	1
	1,011	**847**

Interest on lease liabilities is ₹450 crore and ₹416 crore for the years ended March 31, 2021 and 2020, respectively.

The Company incurred ₹189 crore and ₹190 crore for the years ended March 31, 2021 and 2020, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is ₹1,619 crore and ₹1,793 crore for the years ended March 31, 2021 and 2020, 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 ₹660 crore and ₹457 crore as at March 31, 2021 and 2020, 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.

The estimated useful lives are as mentioned below:

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

Property, plant and equipment consist of the following:

(₹ crore)

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2020	**323**	**7,628**	**1,824**	**667**	**7,273**	**39**	**2,263**	**1,882**	**1,510**	**23,409**
Additions	-	71	53	51	1,610	2	77	28	29	1,921
Disposals	-	(11)	(60)	-	(102)	(5)	(38)	(27)	(30)	(273)
Cost as at March 31, 2021	**323**	**7,688**	**1,817**	**718**	**8,781**	**36**	**2,302**	**1,883**	**1,509**	**25,057**
Accumulated depreciation as at April 1, 2020	**-**	**(2,518)**	**(1,042)**	**(224)**	**(5,536)**	**(32)**	**(1,868)**	**(1,152)**	**(1,202)**	**(13,574)**
Depreciation	-	(387)	(126)	(69)	(909)	(4)	(170)	(143)	(115)	(1,923)
Disposals	-	8	60	-	96	5	37	25	30	261
Accumulated depreciation as at March 31, 2021	**-**	**(2,897)**	**(1,108)**	**(293)**	**(6,349)**	**(31)**	**(2,001)**	**(1,270)**	**(1,287)**	**(15,236)**
Net carrying amount as at March 31, 2021	**323**	**4,791**	**709**	**425**	**2,432**	**5**	**301**	**613**	**222**	**9,821**
Capital work-in-progress*										861
Total										**10,682**

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

(₹ crore)

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2019	**323**	**7,348**	**1,820**	**539**	**6,273**	**36**	**2,164**	**1,802**	**1,420**	**21,725**
Transition impact of Ind AS 116	-	-	(61)	-	-	-	-	-	-	(61)
Restated cost as at April 1, 2019	**323**	**7,348**	**1,759**	**539**	**6,273**	**36**	**2,164**	**1,802**	**1,420**	**21,664**
Additions	-	287	188	128	1,190	5	174	98	130	2,200
Disposals	-	(7)	(123)	-	(190)	(2)	(75)	(18)	(40)	(455)
Cost as at March 31, 2020	**323**	**7,628**	**1,824**	**667**	**7,273**	**39**	**2,263**	**1,882**	**1,510**	**23,409**
Accumulated depreciation as at April 1, 2019	**-**	**(2,150)**	**(1,010)**	**(166)**	**(4,975)**	**(29)**	**(1,740)**	**(1,029)**	**(1,104)**	**(12,203)**
Transition impact of Ind AS 116	-	-	36	-	-	-	-	-	-	36
Restated accumulated depreciation as at April 1, 2019	**-**	**(2,150)**	**(974)**	**(166)**	**(4,975)**	**(29)**	**(1,740)**	**(1,029)**	**(1,104)**	**(12,167)**
Depreciation	-	(374)	(115)	(58)	(750)	(5)	(203)	(140)	(137)	(1,782)
Disposals	-	6	47	-	189	2	75	17	39	375
Accumulated depreciation as at March 31, 2020	**-**	**(2,518)**	**(1,042)**	**(224)**	**(5,536)**	**(32)**	**(1,868)**	**(1,152)**	**(1,202)**	**(13,574)**
Net carrying amount as at March 31, 2020	**323**	**5,110**	**782**	**443**	**1,737**	**7**	**395**	**730**	**308**	**9,835**
Capital work-in-progress*										781
Total										**10,616**

*₹2,200 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2020.

(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)

	Rights under licensing agreement and software licences
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**

(₹ crore)

	Rights under licensing agreement and software licences
Cost as at April 1, 2019	**229**
Additions	172
Cost as at March 31, 2020	**401**
Accumulated amortisation as at April 1, 2019	**(90)**
Amortisation	(72)
Accumulated amortisation as at March 31, 2020	**(162)**
Net carrying amount as at March 31, 2020	**239**

The estimated amortisation for years subsequent to March 31, 2021 is as follows:

(₹ crore)

Year ending March 31,	Amortisation expense
2022	142
2023	117
2024	75
2025	28
	362

(c) Other assets

Other assets consist of the following:

Other assets – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Considered good		
Contract assets	120	145
Prepaid expenses	527	737
Contract fulfillment costs	137	186
Capital advances	65	50
Advances to related parties	33	36
Others	391	272
	1,273	**1,426**
Advances to related parties, considered good, comprise:		
Voltas Limited	2	3
Tata Realty and Infrastructure Ltd*	-	-
Tata Projects Limited	30	33
Titan Engineering and Automation Limited*	-	-

*Represents value less than ₹0.50 crore.

Other assets – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Considered good		
Contract assets	2,931	3,341
Prepaid expenses	4,260	1,381
Prepaid rent	6	4
Contract fulfillment costs	534	396
Advance to suppliers	83	75
Advance to related parties	10	11
Indirect taxes recoverable	1,172	1,131
Others	221	199
Considered doubtful		
Advance to suppliers	3	3
Indirect taxes recoverable	-	2
Other advances	2	3
Less: Allowance on doubtful assets	(5)	(8)
	9,217	**6,538**
Advance to related parties, considered good comprise:		
The Titan Company Limited	2	3
Tata AIG General Insurance Company Limited	1	-
Tata AIA Life Insurance Company Limited	-	1
Tata Sons Private Limited	7	7

Non-current – Others includes advance of ₹369 crore and ₹271 crore towards acquiring right-of-use of leasehold land as at March 31, 2021 and 2020, respectively.

Contract fulfillment costs of ₹358 crore and ₹406 crore for the years ended March 31, 2021 and 2020, 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, 2021	As at March 31, 2020
Raw materials, sub-assemblies and components	7	5
Finished goods and work-in-progress*	-	-
	7	**5**

*Represents value less than ₹0.50 crore.

(e) Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Advance received from customers	156	226
Indirect taxes payable and other statutory liabilities	2,537	1,762
Operating lease liabilities	-	2
Others	27	58
	2,720	**2,048**

(f) Provisions

Provisions consist of the following:

Provisions – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Provision towards legal claim (Refer note 19)	1,211	-
Provision for foreseeable loss	127	199
Other provisions	12	36
	1,350	**235**

9) Other equity

Other equity consist of the following:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Capital reserve*	-	-
Capital redemption reserve		
Opening balance	**8**	**8**
Transfer from retained earnings	5	-
	13	**8**
Special Economic Zone re-investment reserve		
Opening balance	**1,594**	**994**
Transfer from retained earnings	5,058	2,947
Transfer to retained earnings	(4,114)	(2,347)
	2,538	**1,594**
Retained earnings		
Opening balance	**71,532**	**77,159**
Transition impact of Ind AS 116	-	(330)
Profit for the year	30,960	33,260
Remeasurement of defined employee benefit plans	(13)	(323)
Expenses for buy-back of equity shares[1]	(31)	-
Tax on buy-back of equity shares[1]	(3,726)	-
Buy-back of equity shares[1]	(15,995)	-
Transfer from Special Economic Zone re-investment reserve	4,114	2,347
	86,841	**1,12,113**
Less: Appropriations		
Dividend on equity shares	10,850	31,896
Tax on dividend	-	5,738
Transfer to capital redemption reserve[1]	5	-
Transfer to Special Economic Zone re-investment reserve	5,058	2,947
	70,928	**71,532**
Investment revaluation reserve		
Opening balance	**882**	**258**
Change during the year (net)	34	624
	916	**882**
Cash flow hedging reserve (Refer Note 6(k))		
Opening balance	**(23)**	**104**
Change during the year (net)	52	(127)
	29	**(23)**
	74,424	**73,993**

*Represents value less than ₹0.50 crore.

[1]Refer Note 6(m).

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.

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

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

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

In accordance with Ind AS 37, the 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, 2021	Year ended March 31, 2020
Consultancy services	1,34,585	1,29,565
Sale of equipment and software licences	1,378	1,741
	1,35,963	**1,31,306**

Revenue disaggregation by industry vertical is as follows:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Banking, Financial Services and Insurance	51,189	47,811
Manufacturing	11,747	12,161
Retail and Consumer Business	22,219	22,882
Communication, Media and Technology	24,243	23,132
Others	26,565	25,320
	1,35,963	**1,31,306**

Revenue disaggregation by geography is as follows:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Americas	76,798	74,882
Europe	38,277	35,999
India	8,102	8,716
Others	12,786	11,709
	1,35,963	**1,31,306**

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, 2021 and March 31, 2020.

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.

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 ₹ 91,094 crore out of which 53.98% 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, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**3,486**	**2,823**
Invoices raised that were included in the contract assets balance at the beginning of the year	(2,795)	(2,382)
Increase due to revenue recognised during the year, excluding amounts billed during the year	2,332	2,897
Translation exchange difference	28	148
Balance at the end of the year	**3,051**	**3,486**

Changes in unearned and deferred revenue are as follows:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**2,915**	**2,466**
Revenue recognised that was included in the contract liability balance at the beginning of the year	(2,388)	(1,934)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	2,602	2,240
Translation exchange difference	32	143
Balance at the end of the year	**3,161**	**2,915**

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Contracted price	1,38,292	1,33,098
Reductions towards variable consideration components	(2,329)	(1,792)
Revenue recognised	**1,35,963**	**1,31,306**

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.

Other income consist of the following:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	2,383	3,197
Dividend income	2,213	3,980
Net gain on investments carried at fair value through profit or loss	193	183
Net gain on sale of investments other than equity shares carried at fair value through OCI	-	14
Net gain on disposal of property, plant and equipment	19	50
Net gain on lease modification	89	4
Net foreign exchange gain	428	632
Rent income	7	2
Other income	68	21
	5,400	**8,083**
Interest income comprise:		
Interest on bank balances and bank deposits	107	479
Interest on financial assets carried at amortised cost	500	531
Interest on financial assets carried at fair value through OCI	1,762	1,878
Other interest (including interest on tax refunds)	14	309
Dividend income comprise:		
Dividend from subsidiaries	2,213	3,980

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.

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, 2021	Year ended March 31, 2020
Salaries, incentives and allowances	63,006	59,140
Contributions to provident and other funds	4,321	4,020
Staff welfare expenses	1,719	1,746
	69,046	**64,906**

Employee benefit obligations consist of the following:

Employee benefit obligations – Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Other employee benefit obligations	108	91
	108	**91**

Employee benefit obligations – Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Compensated absences	2,558	2,034
Other employee benefit obligations	40	23
	2,598	**2,057**

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.

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Change in benefit obligations		
Benefit obligations, beginning of the year	**3,636**	**2,678**
Plan assumed on insourcing of employees	-	30
Service cost	460	357
Interest cost	244	222
Remeasurement of the net defined benefit liability	135	520
Benefits paid	(162)	(171)
Benefit obligations, end of the year	**4,313**	**3,636**

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Change in plan assets		
Fair value of plan assets, beginning of the year	**3,641**	**2,671**
Plan assumed on insourcing of employees	-	30
Interest income	269	234
Employers' contributions	837	766
Benefits paid	(162)	(171)
Remeasurement - return on plan assets excluding amount included in interest income	119	111
Fair value of plan assets, end of the year	**4,704**	**3,641**

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Funded status		
Deficit of plan assets over obligations	-	-
Surplus of plan assets over obligations	391	5
	391	**5**

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Category of assets		
Corporate bonds	1,408	1,004
Equity instruments	29	17
Government bonds and securities	2,257	1,695
Insurer managed funds	909	850
Bank balances	2	-
Others	99	75
	4,704	**3,641**

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Service cost	460	357
Net interest on net defined benefit (asset) / liability	(25)	(12)
Net periodic gratuity cost	**435**	**345**
Actual return on plan assets	**388**	**345**

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Actuarial (gains) and losses arising from changes in demographic assumptions	24	(5)
Actuarial (gains) and losses arising from changes in financial assumptions	(32)	345
Actuarial (gains) and losses arising from changes in experience adjustments	143	180
Remeasurement of the net defined benefit liability	**135**	**520**
Remeasurement - return on plan assets excluding amount included in interest income	(119)	(111)
	16	**409**

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

	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.50%	6.50%
Rate of increase in compensation levels of covered employees	6.00%	6.00%
Rate of return on plan assets	6.50%	6.50%
Weighted average duration of defined benefit obligations	10 Years	8 Years

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

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, 2021. The Company is expected to contribute ₹116 crore to defined benefit plan obligations funds for year ending 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, 2021	As at March 31, 2020
Increase of 0.50%	(190)	(151)
Decrease of 0.50%	206	163

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Increase of 0.50%	206	163
Decrease of 0.50%	(192)	(152)

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, 2021 as follows:

(₹ crore)

Year ending March 31,	Defined benefit obligations
2022	321
2023	277
2024	294
2025	307
2026	307
2027-2031	1,638

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.

The details of fund and plan assets are given below:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets	20,003	17,072
Present value of defined benefit obligations	(20,003)	(17,072)
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 March 31, 2021	As at March 31, 2020
Discount rate	6.50%	6.50%
Average remaining tenure of investment portfolio	8 years	7.73 years
Guaranteed rate of return	8.50%	8.50%

The Company expensed ₹1,078 crore and ₹1,035 crore for the years ended March 31, 2021 and 2020, 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 ₹254 crore and ₹248 crore for the years ended March 31, 2021 and 2020, respectively, towards Employees' Superannuation Fund.

Foreign defined contribution plan

The Company expensed ₹658 crore and ₹549 crore for the years ended March 31, 2021 and 2020, 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 is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

(a) Cost of equipment and software licences

Cost of equipment and software licences consist of the following:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Raw materials, sub-assemblies and components consumed	14	18
Equipment and software licences purchased	1,215	1,578
	1,229	**1,596**
Finished goods and work-in-progress		
Opening stock	1	-
Less: Closing stock	-	-
	1	**-**
	1,230	**1,596**

(b) Other expenses

Other expenses consist of the following:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Fees to external consultants	14,527	13,916
Facility expenses	1,708	2,175
Travel expenses	919	2,569
Communication expenses	1,254	985
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	185	132
Other expenses	6,784	7,674
	25,377	**27,451**

Other expenses include ₹2,944 crore and ₹3,547 crore for the years ended March 31, 2021 and 2020, respectively, towards sales, marketing and advertisement expenses.

(c) Corporate Social Responsibility (CSR) expenditure

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the years ended March 31, 2021 and 2020 is ₹663 crore and ₹600 crore, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on CSR. The Company incurred an amount of ₹674 crore and ₹602 crore during the years ended March 31, 2021 and 2020, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

14) Finance costs

Finance costs consist of the following:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on lease liabilities	450	416
Interest on tax matters	85	256
Other interest costs	2	71
	537	**743**

15) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

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

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

Deferred income taxes

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

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in 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.

The income tax expense consists of the following:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
Current tax expense for current year	10,404	8,440
Current tax (benefit) / expense pertaining to prior years	(104)	572
	10,300	**9,012**
Deferred tax		
Deferred tax (benefit) / expense for current year	(294)	1,168
Deferred tax (benefit) / expense pertaining to prior years	(64)	(1,449)
	(358)	**(281)**
	9,942	**8,731**

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, 2021	Year ended March 31, 2020
Profit before taxes	40,902	41,991
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	14,293	14,673
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	(4,708)	(4,856)
Income exempt from tax	(773)	(14)
Undistributed earnings in branches	26	(15)
Tax on income at different rates	1,103	(300)
Tax pertaining to prior years	(168)	(877)
Others (net)	169	120
Total income tax expense	**9,942**	**8,731**

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).

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
Deferred tax assets / (liabilities) in relation to					
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
	1,872	**358**	**(32)**	**597**	**2,795**

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

As at March 31, 2021	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
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
	3,160	**365**	**2,795**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(₹ crore)

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Adjustments / utilisation	Closing balance
Deferred tax assets / (liabilities) in relation to					
Property, plant and equipment and intangible assets	97	65	-	-	162
Provision for employee benefit obligations	368	100	-	-	468
Cash flow hedges	(12)	-	19	-	7
Receivables, financial assets at amortised cost	284	43	-	-	327
MAT credit entitlement	1,157	(108)	-	-	1,049
Branch profit tax	(299)	15	-	-	(284)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(149)	-	(334)	-	(483)
Lease liabilities*	235	73	-	-	308
Others	225	93	-	-	318
	1,906	**281**	**(315)**	**-**	**1,872**

*Opening balance of deferred tax on lease liabilities has been restated by ₹147 crore to give impact of transition to Ind AS 116.

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

As at March 31, 2020	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and Intangible assets	225	63	162
Provision for employee benefit obligations	468	-	468
Cash flow hedges	7	-	7
Receivables, financial assets at amortised cost	327	-	327
MAT credit entitlement	1,049	-	1,049
Branch profit tax	-	284	(284)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(483)	-	(483)
Lease liabilities	308	-	308
Others	318	-	318
	2,219	**347**	**1,872**

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 relating to tax treatment of certain items. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances, and characterisation of fees for services received.

The Company has contingent liability in respect of demands from direct tax authorities in India and other jurisdictions, which are being contested by the Company on appeal amounting ₹891 crore and ₹1,453 crore as at March 31, 2021 and 2020, respectively. In respect of tax contingencies of ₹318 crore and ₹318 crore as at March 31, 2021 and 2020, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

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

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2017 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2016 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2017 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 year. The Company did not have any potentially dilutive securities in any of years presented.

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year (₹ crore)	30,960	33,260
Weighted average number of equity shares	374,01,10,733	375,23,84,706
Basic and diluted earnings per share (₹)	82.78	88.64
Face value per equity share (₹)	1	1

17) Auditors remuneration

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Services as statutory auditors (including quarterly audits)	9	7
Tax audit	1	1
Services for tax matters	-*	-*
Other services	4	4
Re-imbursement of out-of-pocket expenses	1	1

*Represents value less than ₹0.50 crore.

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) ₹1,009 crore and ₹1,272 crore as at March 31, 2021 and 2020, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

  Refer note 15.

- **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 ₹495 crore and ₹464 crore as at March 31, 2021 and 2020, 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 ₹105 crore and ₹133 crore as at March 31, 2021 and 2020, 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 ₹6,900 crore (US $940 million) to Epic which was thereafter reduced by the Trial Court to ₹3,083 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 ₹734 crore (US $100 million) award and ₹1,468 crore (US $200 million) in punitive damages. On August 20, 2020, the Appeals Court vacated the award of ₹2,055 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 ₹1,028 crore (US $140 million), affirmed the District Court's decision vacating the jury's award of ₹734 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 ₹1,028 crore (US $140 million) in compensatory damages for use of the comparative analysis by the Company. The Company filed a petition for re-hearing of compensatory and punitive damages at the Appeals Court on September 3, 2020. Epic also filed for re-hearing that portion of the Appeals Court's decision that invalidated award of punitive damages. In November 2020, the petitions for re-hearing filed by the Company and Epic, respectively, were denied by the Appeals Court. 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 has approached the Supreme Court seeking review of the order of the Appeals Court vacating the award of ₹2,055 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 ₹1,028 crore (US $140 million). 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 has provided ₹1,218 crore (US $165 million) towards this legal claim in its statement of profit and loss for the year ended March 31, 2021. This has been 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 ₹3,230 crore (US $440 million) as financial security in order to stay execution of the judgement pending post-appeal proceedings and conclusion.

- **Bank 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) 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 has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and 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.

21) 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 22 of consolidated financial statement for list of subsidiaries of the Company.

Transactions with related parties are as follows:

(₹ crore)

	Year ended 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
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
Loans and advances given	-	-	1	6	-	7
Loans and 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

(₹ crore)

	Year ended March 31, 2020					
	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	31	16,998	409	1,859	-	19,297
Dividend income	-	3,979	-	-	-	3,979
Rent income*	-	-	-	-	-	-
Other income	-	39	-	-	-	39
Purchases of goods and services (including reimbursements)	1	8,943	550	448	-	9,942
Brand equity contribution	100	-	-	-	-	100
Facility expenses	-	28	2	1	-	31
Lease rental	2	-	68	26	-	96
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	1	-	-	1	-	2
Contribution and advance to post employment benefit plans	-	-	-	-	2,684	2,684
Purchase of property, plant and equipment	-	-	219	110	-	329
Loans and advances given	-	1	4	85	-	90
Loans and advances recovered	-	7	3	30	-	40
Dividend paid	22,971	-	9	-	-	22,980
Guarantees given	-	2	-	-	-	2
Cost recovery	-	2,998	-	-	-	2,998

*Represents value less than ₹0.50 crore.

Balances receivable from related parties are as follows:

(₹ 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 receivables, unbilled 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**

(₹ crore)

	As at March 31, 2020					
	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, unbilled receivables and contract assets	4	6,582	223	449	-	7,258
Loans, other financial assets and other assets	10	62	30	65	-	167
	14	**6,644**	**253**	**514**	**-**	**7,425**

Balances payable to related parties are as follows:

(₹ 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

(₹ crore)

	As at March 31, 2020					
	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	93	4,152	245	215	-	4,705
Commitments and Guarantees	-	4,302	11	367	-	4,680

Material related party transactions are as follows:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations		
Tata Consultancy Services Sverige AB	1,939	1,713
Tata Consultancy Services Canada Inc.	2,034	1,934
Tata Consultancy Services Deutschland GmbH	2,504	2,020
Tata Consultancy Services Netherlands BV	2,848	3,364
Jaguar Land Rover Limited	1,093	1,142
Purchases of goods and services (including reimbursements)		
Tata America International Corporation	2,803	3,416
Tata Consultancy Services De Mexico S.A.,De C.V.	1,637	1,414
TCS Foundation	350	552
Dividend income		
Tata America International Corporation	1,002	1,752
Tata Consultancy Services Canada Inc.	193	694
Tata Consultancy Services Netherlands BV	405	239

Material related party balances are as follows:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Trade receivables, unbilled receivables and contract assets		
Tata America International Corporation	456	98
Tata Consultancy Services Sverige AB	219	650
Tata Consultancy Services France	1,028	900
Tata Consultancy Services Netherlands BV	244	727
Tata Consultancy Services Asia Pacific Pte Ltd.	271	635
Diligenta Limited	594	311
Jaguar Land Rover Limited	290	209
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata America International Corporation	1,519	1,314
Tata Consultancy Services De Mexico S.A.,De C.V.	168	402

Transactions with key management personnel are as follows:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Short-term benefits	43	28
Dividend paid during the year	1	2
	44	**30**

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.

22) The sitting fees and commission paid to non-executive directors is ₹10 crore and ₹9 crore as at March 31, 2021 and 2020, respectively.

23) Dividends

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 for the year ended March 31, 2021. Dividends paid during the year ended March 31, 2020 include an amount of ₹18.00 per equity share towards final dividend for the year ended March 31, 2019 and an amount of ₹67.00 per equity share towards interim dividends (including special dividend) for the year ended March 31, 2020.

Dividends declared by the Company are based on the profit available for distribution. On April 12, 2021, the Board of Directors of the Company have proposed a final dividend of ₹15.00 per share in respect of the year ended March 31, 2021 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹5,549 crore.

As per our report of even date attached

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

Amit Somani
Partner
Membership No: 060154

Bengaluru, April 12, 2021

For and on behalf of the Board

Rajesh Gopinathan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 12, 2021

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

Sr. No.	Name of the Subsidiary Company	Date of becoming subsidiary	Start date of accounting period of subsidiary	End date of accounting period of subsidiary	Reporting Currency	Exchange Rate	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	% of Shareholding	Country
							₹ crore											
1	APTOnline Limited	August 9, 2004	April 1, 2020	March 31, 2021	INR	1.000000	2	99	164	63	22	151	21	6	15	-	89%	India
2	MP Online Limited	September 8, 2006	April 1, 2020	March 31, 2021	INR	1.000000	1	103	156	52	93	70	22	5	17	-	89%	India
3	C-Edge Technologies Limited	January 19, 2006	April 1, 2020	March 31, 2021	INR	1.000000	10	267	379	102	-	303	97	25	72	-	51%	India
4	MahaOnline Limited	September 23, 2010	April 1, 2020	March 31, 2021	INR	1.000000	3	79	199	117	39	36	5	2	3	-	74%	India
5	CMC Americas, Inc.	August 9, 2004	April 1, 2020	March 31, 2021	USD	73.402500	-	-	-	-	-	62	30	-	30	-	-	U.S.A.
6	TCS e-Serve International Limited	December 31, 2008	April 1, 2020	March 31, 2021	INR	1.000000	10	59	722	653	12	1,485	58	7	51	-	100%	India
7	TCS e-Serve America, Inc.	February 10, 2009	January 1, 2020	December 31, 2020	USD	73.402500	2	-	2	-	-	97	17	2	15	-	100%	U.S.A.
8	Diligenta Limited	August 23, 2005	January 1, 2020	December 31, 2020	GBP	101.060549	10	1,393	2,509	1,106	384	3,899	331	56	275	-	100%	U.K.
9	Tata Consultancy Services Canada Inc.	October 1, 2009	April 1, 2020	March 31, 2021	CAD	58.269826	41	929	1,990	1,020	-	6,268	656	173	483	-	100%	Canada
10	Tata America International Corporation	August 9, 2004	April 1, 2020	March 31, 2021	USD	73.402500	1	1,173	3,003	1,829	98	3,052	913	261	652	-	100%	U.S.A.
11	Tata Consultancy Services Asia Pacific Pte Ltd.	August 9, 2004	April 1, 2020	March 31, 2021	USD	73.402500	32	853	1,494	609	794	2,103	262	34	228	-	100%	Singapore
12	Tata Consultancy Services (China) Co., Ltd.	November 16, 2006	January 1, 2020	December 31, 2020	CNY	11.196574	226	4	324	94	-	779	68	15	53	-	93.2%	China
13	Tata Consultancy Services Japan, Ltd.	July 1, 2014	April 1, 2020	March 31, 2021	JPY	0.663465	287	1,135	2,762	1,340	-	4,852	317	98	219	-	66%	Japan
14	Tata Consultancy Services Malaysia Sdn Bhd	August 9, 2004	April 1, 2020	March 31, 2021	MYR	17.704414	4	90	175	81	-	439	36	8	28	-	100%	Malaysia
15	PT Tata Consultancy Services Indonesia	October 5, 2006	April 1, 2020	March 31, 2021	IDR	0.005054	1	28	70	41	-	88	17	5	12	-	100%	Indonesia
16	Tata Consultancy Services (Philippines) Inc.	September 19, 2008	April 1, 2020	March 31, 2021	PHP	1.512440	(42)	140	393	295	-	648	8	5	3	-	100%	Philippines

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							₹ crore											
17	Tata Consultancy Services (Thailand) Limited	May 12, 2008	April 1, 2020	March 31, 2021	THB	2.343630	2	13	44	29	-	102	13	3	10	-	100%	Thailand
18	Tata Consultancy Services Belgium	August 9, 2004	April 1, 2020	March 31, 2021	EUR	86.203859	2	509	917	406	-	2,251	220	55	165	-	100%	Belgium
19	Tata Consultancy Services Deutschland GmbH	August 9, 2004	April 1, 2020	March 31, 2021	EUR	86.203859	1	691	1,805	1,113	-	5,493	322	108	214	-	100%	Germany
20	Tata Consultancy Services Sverige AB	August 9, 2004	April 1, 2020	March 31, 2021	SEK	8.425738	-	758	1,312	554	-	3,646	194	43	151	-	100%	Sweden
21	Tata Consultancy Services Netherlands BV	August 9, 2004	April 1, 2020	March 31, 2021	EUR	86.203859	569	2,242	3,700	889	1,653	5,371	405	61	344	-	100%	Netherlands
22	TCS Italia s.r.l.	August 9, 2004	April 1, 2020	March 31, 2021	EUR	86.203859	19	39	162	104	-	413	44	18	26	-	100%	Italy
23	Tata Consultancy Services Luxembourg S.A.	October 28, 2005	April 1, 2020	March 31, 2021	EUR	86.203859	48	62	244	134	-	640	74	21	53	-	100%	Capellen (G.D. de Luxembourg)
24	Tata Consultancy Services Switzerland Ltd.	October 31, 2006	April 1, 2020	March 31, 2021	CHF	77.946798	12	533	1,261	716	-	2,944	297	56	241	-	100%	Switzerland
25	Tata Consultancy Services Osterreich GmbH	March 9, 2012	April 1, 2020	March 31, 2021	EUR	86.203859	-	5	14	9	-	66	-	-	-	-	100%	Austria
26	Tata Consultancy Services Danmark ApS	March 16, 2012	April 1, 2020	March 31, 2021	DKK	11.590112	1	5	14	8	-	16	-	-	-	-	100%	Denmark
27	Tata Consultancy Services De Espana S.A.	August 9, 2004	April 1, 2020	March 31, 2021	EUR	86.203859	1	52	155	102	-	363	13	2	11	-	100%	Spain
28	Tata Consultancy Services (Portugal) Unipessoal, Limitada	July 4, 2005	April 1, 2020	March 31, 2021	EUR	86.203859	-	5	31	26	-	32	5	-	5	-	100%	Portugal
29	Tata Consultancy Services France	June 28, 2013	April 1, 2020	March 31, 2021	EUR	86.203859	4	(436)	1,311	1,743	-	2,106	(3)	7	(10)	-	100%	France
30	Tata Consultancy Services Saudi Arabia	July 2, 2015	April 1, 2020	March 31, 2021	SAR	19.571390	7	264	333	62	-	321	32	6	26	-	76%	Saudi Arabia

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							₹ crore											
31	Tata Consultancy Services (Africa) (PTY) Ltd.	October 23, 2007	April 1, 2020	March 31, 2021	ZAR	4.952768	7	46	53	-	53	-	29	-	29	-	100%	South Africa
32	Tata Consultancy Services (South Africa) (PTY) Ltd.	October 31, 2007	April 1, 2020	March 31, 2021	ZAR	4.952768	9	76	326	241	-	849	50	13	37	-	100%	South Africa
33	TCS FNS Pty Limited	October 17, 2005	April 1, 2020	March 31, 2021	AUD	55.910684	208	(63)	145	-	2	-	84	-	84	-	100%	Australia
34	TCS Financial Solutions Beijing Co., Ltd.	December 29, 2006	January 1, 2020	December 31, 2020	CNY	11.196574	41	(4)	62	25	-	73	9	-	9	-	100%	China
35	TCS Financial Solutions Australia Pty Limited	October 19, 2005	April 1, 2020	March 31, 2021	AUD	55.910684	-	81	136	55	40	78	60	18	42	-	100%	Australia
36	TCS Iberoamerica SA	August 9, 2004	April 1, 2020	March 31, 2021	USD	73.402500	722	866	1,596	8	1,587	-	383	1	382	-	100%	Uruguay
37	TCS Solution Center S.A.	August 9, 2004	April 1, 2020	March 31, 2021	UYU	1.656194	59	283	481	139	-	747	142	27	115	-	100%	Uruguay
38	Tata Consultancy Services Argentina S.A.	August 9, 2004	April 1, 2020	March 31, 2021	ARS	0.798238	4	(2)	36	34	-	35	(1)	-	(1)	-	100%	Argentina
39	Tata Consultancy Services Do Brasil Ltda	August 9, 2004	January 1, 2020	December 31, 2020	BRL	12.711490	223	(23)	402	202	-	712	107	40	67	-	100%	Brazil
40	Tata Consultancy Services De Mexico S.A., De C.V.	August 9, 2004	January 1, 2020	December 31, 2020	MXN	3.572698	1	1,003	1,545	541	-	2,470	373	117	256	-	100%	Mexico
41	Tata Consultancy Services Chile S.A.	August 9, 2004	January 1, 2020	December 31, 2020	CLP	0.100520	171	222	551	158	56	529	(8)	(5)	(3)	-	100%	Chile
42	TCS Inversiones Chile Limitada	August 9, 2004	January 1, 2020	December 31, 2020	CLP	0.100520	154	173	338	11	323	36	3	1	2	-	100%	Chile
43	TATASOLUTION CENTER S.A.	December 28, 2006	January 1, 2020	December 31, 2020	USD	73.402500	22	81	194	91	-	436	63	18	45	-	100%	Ecuador
44	TCS Uruguay S.A.	January 1, 2010	April 1, 2020	March 31, 2021	UYU	1.656194	-	96	161	65	-	415	303	19	284	-	100%	Uruguay
45	MGDC S.C.	January 1, 2010	January 1, 2020	December 31, 2020	MXN	3.572698	-	57	118	61	-	98	54	10	44	-	100%	Mexico
46	Technology Outsourcing S.A.C.	October 30,2015	January 1, 2020	December 31, 2020	PEN	19.459320	-	-	-	-	-	24	(3)	4	(7)	-	-	Peru
47	Tata Consultancy Services Qatar S.S.C.	December 20, 2011	April 1, 2020	March 31, 2021	QAR	20.156662	4	27	59	28	-	60	-	-	-	-	100%	Qatar

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							₹ crore											
48	W12 Studios Limited	October 31, 2018	June 1, 2020	May 31, 2021	GBP	101.060549	-	28	28	-	-	-	-	-	-	-	100%	U.K.
49	TCS Business Services GmbH	March 9, 2020	April 1, 2020	March 31, 2021	EUR	86.203859	-	(28)	118	146	55	108	(4)	(1)	(3)	-	100%	Germany
50	Tata Consultancy Services Ireland Limited	December 2, 2020	January 1, 2020	December 31, 2020	EUR	86.203859	216	14	426	196	-	234	15	1	14	-	100%	Ireland
51	Postbank Systems AG	January 1, 2021	January 1, 2020	December 31, 2020	EUR	86.203859	28	(49)	2,132	2,153	-	382	(50)	-	(50)	-	100%	Germany
52	TCS Foundation	March 25, 2015	April 1, 2020	March 31, 2021	INR	1.000000	1	1,087	1,092	4	161	-	93	-	93	-	100%	India

Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2021.
2. Equity stake in Technology Outsourcing S.A.C. was sold on December 1, 2020.
3. Tata Consultancy Services Ireland Limited was incorporated on December 2, 2020.
4. CMC Americas, Inc. was liquidated w.e.f. December 16, 2020.
5. Equity stake in Postbank Systems AG acquired w.e.f. January 1, 2021.
6. Tata Consultancy Services France SA was renamed as Tata Consultancy Services France.

For and on behalf of the Board

Rajesh Gopinathan
CEO and Managing Director

N Ganapathy Subramaniam
COO and Executive Director

V Ramakrishnan
CFO

Rajendra Moholkar
Company Secretary

Mumbai, April 12, 2021

Glossary



5G	Fifth generation wireless technology for digital cellular networks. 5G is expected to be much faster and enable much higher volumes of data sharing than earlier generations of cellular networks. Its massive capacity and ultra-low latency are expected to usher in an era of hyper-connectivity, enabling newer use cases such as autonomous cars, and accelerating the adoption of IoT.
ADM	See Application Development and Maintenance
Agile	A collaborative approach for IT and business teams to develop software incrementally and faster. TCS has pioneered the Location Independent Agile™ model that allows for deployment at scale, and helps globally distributed organization execute large transformational programs quickly, while ensuring stability and quality.
AgilityDebt™	AgilityDebt™ is a simple index developed by TCS, which uniquely indicates the burden carried by an organization that restricts its Agility. The index is arrived at based on a holistic Agile maturity assessment framework that measures the gap against required Agile talent, roles, team composition, delivery practices, Agile culture, Agile technology and DevOps enablers. TCS uses AgilityDebt™ to assess where the customer's teams are in the Agile journey, find the bottlenecks, and accelerate their Agile transformations.
Agile Workspaces	These are key enablers of TCS' Location Independent Agile model, and represent the next generation work environment that facilitate greater collaboration among teams. It is characterized by partition-less open offices, informal seating, interactive surfaces for information capture, and modern collaboration devices for increased productivity.
AI	See Artificial Intelligence
Algo Retail™	TCS' proprietary approach and suite of intellectual property that enables retailers to seamlessly integrate and orchestrate data flows across the retail value chain, harnessing the power of analytics, AI and machine learning in the areas of personalization, pricing optimization, marketing, online search and commerce to unlock exponential business value.
Amortization	An accounting concept similar to depreciation, but used to measure the consumption of intangible assets.
Analytics	In the enterprise context, this is the discovery, interpretation, and communication of meaningful patterns in business data to predict and improve business performance.
Annuity Contract	A long-term contract which can guarantee regular payments.
APAC	Acronym for Asia Pacific
API	See Application Programming Interface

APIfication	The process of exposing a discrete business function or data within an enterprise's systems through APIs.
Application Development and Maintenance	Design, development, and deployment of custom software; ongoing support, upkeep, and enhancement of such software over its lifetime.
Application Programming Interface	A set of easily accessible protocols for communication among various software components.
AR	See Augmented Reality
Artificial Intelligence	Technology that emulates human performance by learning, coming to its own conclusions, understanding complex content, engaging in natural dialogs with people, augmenting human effort or replacing people on execution of non-routine tasks. Also known as Cognitive Computing.
ASEAN	Acronym for Association of Southeast Asian Nations
Assets Under Custody	A measure of the total assets for which a financial institution, typically a custodian bank, provides custodian services.
AUC	See Assets Under Custody
Attrition	Measures what portion of the workforce left the organization (voluntarily and involuntarily) over the last 12 months (LTM). Attrition (LTM) = Total number of departures in the LTM / closing headcount

Augmented Reality	Technology that superimposes a computer-generated image on a user's view of the real world to enrich the interaction.
Automation	The execution of work by machines in accordance with rules that have either been explicitly coded by a human or 'learned' by the machine through pattern recognition of data. Popular types include Robotic Process Automation and Cognitive Automation.
Basis Point	One hundredth of a percentage point, that is, 0.01 percent.
BFSI	Acronym for Banking, Financial Services and Insurance
Big Data	A high volume, high velocity, and/or high variety information asset that require new forms of processing to enable enhanced decision making, insight discovery, and process optimization.
Blockchain	A distributed database that maintains a continuously growing list of records, called blocks, secured from tampering and revision.
Bp	See Basis Point
BPaaS	See Business Process as a Service
BPS	See Business Process Services

Business 4.0	TCS' thought leadership framework that helps enterprises leverage technology to further their growth and transformation agenda. Successful Business 4.0 enterprises use technology to deliver mass personalization, leverage ecosystems, embrace risk and create exponential value. Such enterprises are agile, intelligent, automated and on the cloud.
Business Process as a Service	Refers to the delivery of BPS over a cloud computing model. Whereas traditional BPS relies on labor arbitrage to reduce costs, BPaaS aggregates demand using the cloud, servicing multiple customers with a single instance, multi-tenant platform and shared services, thereby delivering significant operating efficiencies. The pricing model is usually outcome based.
Business Process Services	Designing, enabling, and executing business operations including data management, analytics, interactions and experience management.
Buyback	A corporate action in which a company returns excess cash to shareholders by buying back its shares from them and usually extinguishing those shares thereafter. The company's equity share capital and the number of shares outstanding in the market correspondingly reduces.
CAGR	See Compounded Annual Growth Rate

Capital Expenditure (CapEx)	Funds used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, an industrial plant, technology, or equipment.
Cash and Cash Equivalents	Cash comprises cash on hand and demand / time / fixed deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.
Cash Flow	Inflows and outflows of cash and cash equivalents.
Cash Flow from Operating Activities	Primarily derived from the principal revenue producing activities. Therefore, they generally result from the transactions and other events that enter into the determination of profit or loss.
CBO	See Cognitive Business Operations
CC	See Constant Currency
Chatbots	Computer programs designed to simulate conversation with human users, especially over the internet. They are typically used in dialog systems for various practical purposes like customer service or information acquisition.
Cloud	See Cloud Computing

Cloud Computing	The delivery of easily provisionable computing resources – servers, storage, databases, networking, software, analytics and more – over the internet, consumed on a pay-as-you-go basis.
CMT	Acronym for Communication, Media and Technology
Cognitive Automation	The use of AI and machine learning to automate relatively more complex tasks that require reasoning capability and contextual awareness. TCS' ignio™ is a leading cognitive automation software product in the market today.
Cognitive Business Operations (CBO)	An integrated offering where TCS takes responsibility for the outcome of an entire slice of the customers' operations including the business processes and the underlying IT infrastructure, and uses cognitive automation to transform that operational stack.
Cognitive Computing	See Artificial Intelligence
COIN	See Co-Innovation Network
Co-Innovation Network	This is an extended, global innovation ecosystem curated by TCS, to harness the innovation efforts of start-ups and academia, and incorporate them into transformational solutions built by TCS for its customers.
Compounded Annual Growth Rate (CAGR)	The annual growth rate between any two points in time, assuming that it has been compounding during that period.

Connected Clinical Trials (CCT) Platform	Part of the TCS ADD suite, CCT is an innovative software-as-a-service platform that enables life sciences companies to significantly transform patient engagement in clinical trials and improve adherence to protocols, as well as the efficiency and accountability of clinical trials.
Constant Currency	The basis for restating the current period's revenue growth after eliminating the impact of movements in exchange rates during the period.
Contextual Knowledge	This is tacit knowledge pertaining to, and specific to, the granular nuances of a customer's business and IT landscape, acquired on the job over a period of time. TCS teams use their contextual knowledge to design technology solutions that are uniquely tailored for that customer, and therefore, a potential source of competitive differentiation.
CPG	Acronym for Consumer Packaged Goods
Core Banking System	A back-end system that processes daily banking transactions and posts updates to accounts and other financial records; typically includes deposit, loan and credit processing capabilities, with interfaces to general ledger systems and reporting tools.

Core Transformation	Modernization initiatives that target the one or more elements of the organization's operations stack consisting of business processes, software systems and underlying infrastructure, usually to enable greater agility, scalability, resilience and a superior customer experience. These are typically large in scale and scope, and entail the integrated delivery of multiple capabilities.
Cyber Security	Technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorized access.
Days' Sales Outstanding (DSO)	A popular way of depicting the Trade Receivable relative to the company's Revenue. DSO = Trade Receivable * 365 / LTM Revenue
Depreciation	A method of allocating the cost of a tangible long-term asset over its useful life. It is a non-cash accounting entry found in the statement of profit and loss.
DevOps	Represents a new way of working to rapidly deploy new releases of a software in production using high levels of automation and tooling. TCS recommends adoption of DevOps, along with Agile for speed to market.
Digital	Represents new age technologies such as Social Media, Mobility, Analytics, Big Data, Cloud, Artificial Intelligence and Internet of Things. Increasingly, with these technologies becoming mainstream, this word is becoming redundant.

Digital Twin	A digital replica of a physical entity. For instance, a digital twin of a factory is a virtual model of the factory built using its data, process and people information. The Impact of any change in a process in the real factory can be studied by simulating the change in the digital twin.
Discretionary Spend	Also known as Change the Business (CTB) spend, it is that portion of the IT budget which is used to fund projects that are not, strictly speaking, essential for day to day operations, but are more transformational in nature. In uncertain economic times, when businesses are forced to cut spends in response to decline in income, discretionary spend is often the first to be scrutinized. However, what is considered discretionary is subjective and may differ considerably amongst businesses even within the same sector.
Distributed Ledger Technology	See Blockchain
Dividend	One form of distribution of profits earned by the Company and is usually declared as an amount per equity share held by the shareholders. TCS has a policy of declaring quarterly interim dividends and the final dividend is approved by the shareholders in the Annual General Meeting.
DLT	See Distributed Ledger Technology

Earnings Per Share	The amount of that period's Net Income attributable to a single share after deducting any preference dividend and related taxes. EPS = [Net profit attributable to Shareholders of the Company – Preference dividend, if any] / Weighted average number of equity shares outstanding during the period
Edge Computing	Computing and storage that is located on servers on the edge of the network, in close proximity to the users, but not through an on-premise data center; usually reserved for low latency use cases.
Effective Tax Rate	The proportion of the Profit Before Tax that is provided towards income taxes. ETR = Tax expense / Profit Before Tax
Engineering and Industrial Services	Consists of next generation product engineering, manufacturing operations transformation, services transformation, embedded software and Internet of Things.
Enterprise Agile	The adoption of Agile methods across all the business functions of the enterprise, designed to empower employees, foster collaboration and drive a culture of continuous innovation at scale.
EPS	See Earnings Per Share
ETR	See Effective Tax rate
Fair Value	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.

Fintech	Businesses that use technology to make financial services more efficient. Some fintech developments have improved traditional services, for example mobile banking apps, while others have revolutionized services such as pay per mile car insurance, or created new products, such as Bitcoin.
Fixed Price Contracts	A form of services contracts where the vendor takes a turnkey responsibility for delivering a solution for a certain price and within a mutually agreed timeframe. The customer is billed on completion of key project milestones and related deliverables. This arrangement gives the vendor considerable flexibility in the staffing and execution of the project. On the other hand, it also means bearing the project risk.
Forward Contract	A hedging instrument wherein two parties agree to buy or sell a particular asset (such as stock or currency) at a pre-determined rate (or Forward rate) on a specific future date. For e.g. TCS enters into a forward contract to sell USD 1 million after 3 months @ ₹72. Irrespective of the prevailing USD-INR spot rate, TCS will be obliged to sell USD 1 million @ ₹72 at the end of 3 months.

Framework	A kind of intellectual property, consisting of software which provides generic functionality for a certain business use case, and which is customized for a specific customer's needs with additional code. Use of such pre-built code reduces time to market and results in more stable, reliable solutions.
Free Cash Flow	Represents the cash a company generates through its operations, less the capital expenditure. Free cash flow = Cash flow from operating activities – Capital expenditure
Furlough	A temporary cessation of work without pay for the employees, usually implemented by organizations facing under difficult economic conditions, and in lieu of laying off employees.
Gamification	The process of adding games or game-like elements to any activity in order to enrich experiences and encourage user participation.
GDPR	Acronym for General Data Protection Regulation, a European Union regulation for data protection and privacy.
Growth and Transformation	Initiatives launched to improve the enterprise's revenues, leveraging technology to adopt new business models, drive new revenue streams, enhance customer experience or target new customer segments. This is in contrast to traditional outsourcing engagements where the focus is on improving efficiency and saving costs.
G&T	See Growth and Transformation

Hybrid Cloud	An enterprise IT infrastructure model that combines private clouds, public clouds and on premise data centers, to meet the compute and storage needs of the business.
Innovation Days	Focused workshops with a TCS customer where researchers and business leaders from both organizations participate to explore emerging technologies for specific customer problems.
Innovation Forum	TCS' thought leadership event that is held in North America, UK, Latin America and Japan. It brings together researchers from academia, innovators from the start-up ecosystem, technology watchers, futurists and customers to brainstorm around emerging technologies.
Inorganic Growth	Growth in revenue due to mergers, acquisitions or takeovers, rather than due to an increase in the company's own business activity.
Internet of Things	A network of interconnected machines or devices embedded with sensors, software, network connectivity, and necessary electronics to generate and share run-time data that can be studied and used to monitor or control remotely, predict failure, and optimize the design of those machines / devices.
Invested Funds	Aggregation of cash and various forms of investments (excluding investments in equity shares designated at fair value through OCI). Invested Funds = Cash and Cash Equivalents + Investments (excluding equity shares designated at fair value through OCI) + Bank deposits + Inter-corporate deposits

Intellectual Property	An asset that is the result of a creative design or idea, such as patents, copyrights, reusable code, software products and platforms, and gives the owner exclusive rights over its usage, such that no one can copy or reuse the creation without the owner's permission.
Interactive Technology	Allows for a two-way flow of information through an interface between the user and the technology; the user usually communicates a request for data or action to the technology with the technology returning the requested data or result of the action back to the user.
Involuntary Attrition	A reduction in the workforce due to the employer's decision to terminate employment, instead of the employees' decision to leave.
IoT	See Internet of Things
IP	See Intellectual Property
KMP	See Key Managerial Personnel
Key Managerial Personnel	At TCS, this refers to the Chief Executive Officer and Managing Director, Chief Operating Officer and Executive Director,, Chief Financial Officer, and the Company Secretary. Please refer to the company's policy on KMP.
LatAm	Acronym for Latin America
Location Independent Agile	A method to orchestrate globally distributed stakeholders and talent into Agile teams for improved speed to market in large transformational programs. It comprises processes, structure, and the technology that allows enterprises to overcome location constraints and embrace Agile methods on a global scale.
LTM	Last Twelve Months
Machine First™ Delivery Model	A model that integrates analytics, AI and automation deep within the enterprise to redefine how humans and machines work together and to effectively deliver superior outcomes.
Machine Learning	A type of artificial intelligence that provides computers with the ability to learn behaviors without being explicitly programmed.
Managed Services	This is the practice of outsourcing to one service provider, also known as the Managed Services Provider (MSP), the end-to-end responsibility for providing, or orchestrating the provision through third party providers of, services around a range of processes and functions, in order to improve efficiency, service quality, agility and scalability.
Managed Services Provider	Service providers with the sole, end-to-end responsibility of providing Managed Services.
Market Capitalization	The total market value of a company's total outstanding equity shares at a point in time. Market Cap = Last Trading Price * Total number of outstanding shares
MEA	Acronym for Middle East and Africa
MFDM™	Acronym for Machine First Delivery Model
Minimum Viable Product	The most basic version of a new product, with the bare minimum functionality, which can be released to the users at the earliest, to be augmented with incremental features and functionality over subsequent iterative cycles. MVPs can be used by teams to learn about user behavior and validate the product value with minimum investment.
Mobility	Information, convenience, and social media all combined together, and made available across a variety of screen sizes and hand-held devices.
MSP	See Managed Services Provider
MVP	See Minimum Viable Product
Non-Controlling Interest	The share of the net worth attributable to non-controlling shareholders of the subsidiaries.
Non-discretionary Spend	Also known as Run the Business (RTB) spend, is that portion of the IT budget that covers the basic IT activities required to keep a business running. Even in tough economic times, non-discretionary spend remains relatively unaffected.

Options Contract	A hedging instrument that offers the buyer the right to buy or sell the underlying asset (such as stocks or currency) on a future date, at a specified price, for small upfront fee called options premium. Eg: TCS purchases an options contract to sell USD 1mn @ ₹ 77/$ after 3 months, paying an option premium of ₹1 million. With this, TCS will have the right to sell USD 1mn at an exchange rate of ₹77, even if the prevailing market rate at the end of three months is, say ₹75. On the other hand, if the market rate is higher, say ₹79, then TCS can choose to let the options contract lapse and instead sell at the market rate.
Order Book	See Total Contract Value
Organic Growth	The revenue growth a company can achieve by increasing its existing business activity. This does not include growth attributable to takeovers, acquisitions or mergers.
Other Comprehensive Income	Other comprehensive income (OCI) comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by Ind ASs.
PaaS	See Platform as a Service
Personalization	Segmentation and responding to individual transactions, customized for a single customer in a single instance.

Platforms	A group of technologies that are used as a base upon which other applications, processes or technologies are developed. Useful for optimizing costs and efforts, and eliminating iterative tasks to drive strategic business initiatives.
Platform as a Service (PaaS)	A category of cloud computing that provides a platform and environment to allow developers to build applications and services over the internet. PaaS services are hosted in the cloud and accessed by users simply via their web browser.
Pricing	The price charged to the customer for a billable effort, turnkey project or a certain process outcome, depending on the nature of the contract. Some use this term interchangeably (and somewhat inaccurately) with the average revenue realized by the company per utilized effort on an aggregate basis. See Realization.
Private Cloud	Refers to a model of cloud computing where IT infrastructure, in terms of compute and storage resources, are provisioned for the dedicated use of a single organization.
Product	In the technology context, refers to a packaged software program that is made available to multiple customers either on a license basis, or on a subscription basis, to enable the execution of certain common tasks or processes or business functions in a standardized way. This is the opposite of bespoke or custom software which is built to specifications to meet a customer's unique needs.

Public Cloud	A computing service model used for the provisioning of storage and computational services to the general public over the internet. Public cloud facilitates access to IT resources on a 'pay as you go' billing model.
R&I	Acronym for Research & Innovation
Realization	The revenue received by the company per utilized effort. Pricing varies by service and by market. Consequently, there can be changes in realization compared to a prior period, due to changes in the underlying business or geographic mix during the period. This does not necessarily mean that like-to-like pricing has changed. Also, realization doesn't take into account the costs and therefore, higher realization is not necessarily more profitable.
Related Party Transactions	Any transaction between a company and its related party involving transfer of services, resources or any obligation, regardless of whether a price is charged. Please refer to the Company's policy on Related Party Transactions.
Revenue	The income earned by the Company from operations by providing IT and consulting services, software licenses, and hardware equipment to customers.

RFP	Acronym for Request for Proposal, meaning a document that solicits proposal, often made through a bidding process, by an entity interested in procurement of IT services, to potential service providers to submit business proposals. An RFP is floated early in the procurement cycle and requested information may include basic corporate information and history, financial information, technical capability and estimated completion period, and customer references.
Robotic Process Automation	The use of software tools to automate high-volume, repeatable tasks that previously required humans to perform. RPA is best suited for relatively simple and stable processes. Dynamic changes in the environment require ongoing upkeep of the robots, diluting the economic benefit of the automation. Increasingly, customers are preferring cognitive automation over RPA.
RPA	See Robotic Process Automation
SBWS™	See Secure Borderless Workspaces

Secure Borderless Workspaces™	TCS' innovative operating model rolled out in response to the COVID-19 disruption. It is a fully location agnostic extension of the Location Independent Agile model, enabling employees to work remotely, while retaining the same high rigor in project management, governance and security. The fully distributed nature of this model is better suited to ensure business continuity. It leverages TCS' prior investments and incorporates the learnings and best practices around network management, standard service delivery environment, digitized governance processes, heavy use of collaborative and cloud based technologies and an internal SOC benchmarked to the best in the industry.
SEZ	See Special Economic Zone
Shareholder Payout Ratio	The proportion of earnings paid to shareholders as a percentage of the Company's earnings, i.e. Net Income attributable to Shareholders of the Company. Payout can be in the form of dividend and share buyback. Payout includes tax payable by the company on behalf of the shareholders in the form of dividend distribution tax and buyback tax.
Simplification	The rationalization of IT architectures through consolidation of systems and elimination of redundant systems and layers. The primary purpose is to shrink the IT footprint and make operations leaner and more efficient.

Sole Sourced Contract	Non-competitive agreements that allow a single vendor to fulfill the needs of the contractual requirements. These types of contracts can be won when the competitor set narrows down significantly and comes down to a single vendor discussion, given the nature of the client's solution requirements.
Special Economic Zone	In India, these are designated areas in which business and trade laws are different from the rest of the country, with various benefits and tax breaks to promote exports, attract investments, and create local jobs.
STEM	An acronym for education in the fields of science, technology, engineering and math.
T&M	See Time and Materials Contract
TCS Pace™	A brand promise that represents the way TCS channels its domain knowledge and organizational units – business and technology services, industry solutions units, and the research and innovation organization – into internal and external co-innovation programs.
TCS Pace Port™	Physical spaces where TCS Pace can be experienced. These spaces are close to academic and start-up hubs, and enclose innovation showcases, Agile workspaces and think spaces. They encourage brainstorming, design thinking and collaborative innovation with internal and external partners.
TCV	See Total Contract Value

Time and Materials Contract	A form of services contract where the customer is billed for the effort (in hours, days, weeks, etc.) logged by the project team members. Project risk is borne by the customer. This contrasts with Fixed Price Contracts.
Total Contract Value	An aggregation of the value of all the contracts signed during a period and a useful indicator of demand, and near term business visibility.
Turnkey Contracts	See Fixed Price Contracts
Unearned and Deferred Revenue	Invoices raised in line with agreed milestones for services yet to be delivered. In other words, it is the amount that has been invoiced although the underlying effort is yet to be expended.

VR	See Virtual Reality
Virtual Reality	Artificial, computer-generated simulation or recreation of a real-life environment or situation. It engages users by offering simulated reality experiences firsthand, primarily by stimulating their vision and hearing.
Virtualization	The abstraction of IT resources – like a server, client, storage or network – that masks the physical nature and boundaries of those resources from the users of those resources.
Voluntary Attrition	Refers to reduction in workforce resulting from employees willingly leaving the organization to pursue other opportunities, spend time with family, or for some other personal reason.

XR	Extended reality, an umbrella term that covers augmented reality, virtual reality and mixed reality.
Y-o-Y	Year-on-Year

Disclaimer: This glossary is intended to help understand commonly used terms and phrases in this report. The explanations are not intended to be technical definitions. If explanations provided here are found to be different from what is described in the Company's periodic financial statements (not limited to Notes to Accounts), then the definition provided in the certified financial statements will prevail.



ABOUT THIS REPORT[1]

This report for FY 2021 (year ending March 31, 2021) is an Integrated Report, that covers TCS' performance across financial, human, intellectual, relationship, social, natural and manufactured capitals. The last edition was for FY 2020. It has been prepared in accordance with the Integrated Reporting framework and GRI Standards Core Option.

SCOPE AND BOUNDARY OF REPORTING

Reporting period

This report is produced and published annually. It provides material information relating to TCS strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance, covering the year April 1, 2020 to March 31, 2021.

Financial and non-financial reporting

The basis and exclusions for reporting are as below:

Data	Basis	Exclusions
Financial	TCS' consolidated global operations	None
Human Resources	TCS' global operations, including wholly owned subsidiaries	Subsidiaries not wholly owned by TCS (accounting for 2.4% of the consolidated headcount)
Environmental	Delivery centers in Brazil, Chile, China, Colombia, Hungary, India, Mexico, Peru, Philippines, Singapore, UK, and Uruguay	Remaining delivery centers, accounting for ~4% of the headcount

[1] 102-10, 102-45, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56

The data measurement techniques used, and the basis of calculations and estimates have been mentioned in the relevant areas of this report. TCS does not believe there is any substantial divergence from the GRI Indicator Protocols. The scope, boundaries, and methodology for data analysis in this document remain the same as in the prior year. There has been no restatement of information or changes in the material topics or boundaries since the prior year. The data is sourced from Ultimatix, TCS' core enterprise platform. Other supporting data is reviewed by relevant third-party assurers as part of ISO and financial audit.

Assurance

Ernst & Young has assured the data presented under GRI Standards disclosures as specified in their Assurance Statement. The scope and basis of assurance have been described in their assurance letter. The Board was not involved in seeking this assurance.

Contact[2]

Corporate Headquarters: TCS House, Raveline Street, Fort, Mumbai 400 001, Maharashtra, India.
Website: www.tcs.com

Please email any feedback / queries:

Sustainability / ESG topics:
corporate.sustainability@tcs.com

Any other topic: investor.relations@tcs.com

Stakeholder Engagement Framework

TCS strives to create value for all stakeholders and aspires to understand and act upon material matters for its business, stakeholders, and society. TCS' strategy is based on its stakeholder engagement program and a materiality assessment. TCS engages with a broad spectrum of stakeholders, to deepen its insights into their needs and expectations, and to develop sustainable strategies for the short, medium, and long term. Stakeholder engagement also helps to manage risks and opportunities in business operations.

The key stakeholders identified in consultation with the company's management are: customers, employees, shareholders, academic institutions, head-hunters, staffing firms, other suppliers, partners and collaborators, industry bodies such as NASSCOM and CII[3], governments, NGOs, local communities, regulators and society at large[4].

Some other stakeholders that TCS closely engages with – such as industry analysts, equity analysts, and the news media –are proxies for other named stakeholders – i.e. customers, shareholders, and society at large, respectively.

Stakeholder interactions might be structured (e.g. surveys, account statements) or unstructured (town halls, 1x1 meetings). Based on mutual convenience and need, the engagement maybe scheduled as needed, or pre-scheduled on a periodic basis (fortnightly/ monthly/ quarterly/ annual) or continuous (e.g. website, social media)[5].

The below table shows an overview of TCS' stakeholder group and how the company engages with them:

[2] 102-3, 102-53

[3] 102-13

[4] 102-40, 102-42

[5] 102-43

Customers

How TCS engages?

- **As needed:** Project-related calls and meetings; project management reviews; relationship meetings and reviews; executive meetings and briefings; customer visits; responses to RFIs/RFPs; sponsored events; mailers; newsletters; brochures
- **Continuous:** TCS website; social media (LinkedIn, Twitter, Facebook, Instagram, YouTube)
- **Half-yearly:** Customer satisfaction surveys
- **Annual:** Customer summits; Innovation days; Executive customer surveys; Sponsored Community events

Shareholders

How TCS engages?

- **As needed:** Press releases and press conferences; email advisories; facility visits; in-person meetings; investor conferences; non-deal roadshows; conference calls
- **Quarterly:** Financial statements in Ind AS and IFRS; earnings call; exchange notifications; press conferences
- **Continuous:** Investors page on the TCS website
- **Annual:** Annual General Meeting; Annual Report

Head-hunters; staffing firms; other suppliers

How TCS engages?

- **One-time:** RFIs/RFPs; empanelment process
- **As needed:** Transactional meetings; periodic reviews; surveys

Industry bodies, Regulators

How TCS engages?

- **As needed** (need basis / usually 1-2 meetings in 3 months' basis):
  - Conferences and seminars,
  - working committee meetings,
  - surveys,
  - other meetings
- **Annual:** Conferences; summits

Employees

How TCS engages?

- **As needed:** Town halls; roadshows; project or operations reviews; video conferences; audio conference calls; one-on-one counselling
- **Monthly:** @TCS (in-house magazine)
- **Continuous:** TCS website; Ultimatix Notice Board; CEO Connect; CTO Blog; Corporate Corner; Knome; dipstick surveys; grievance redressal system
- **Annual:** PULSE (employee feedback survey); long-service awards; sales meets; Blitz (business planning meet)

Academic Institutions

How TCS engages?

- **As needed:** Academic Interface Program; Co-Innovation Network (COIN™) meetings
- **Continuous:** TCS website; academic portal
- **Annual:** Sangam (high-level academic conference); campus recruitment

Partners and Collaborators

How TCS engages?

- **As needed:** Meetings/calls; COIN™ meetings; visits; partner events
- **Monthly:** Conference calls
- **Quarterly:** Business reviews
- **Annual:** Partner events

Governments; NGOs; local communities; society at large

How TCS engages?

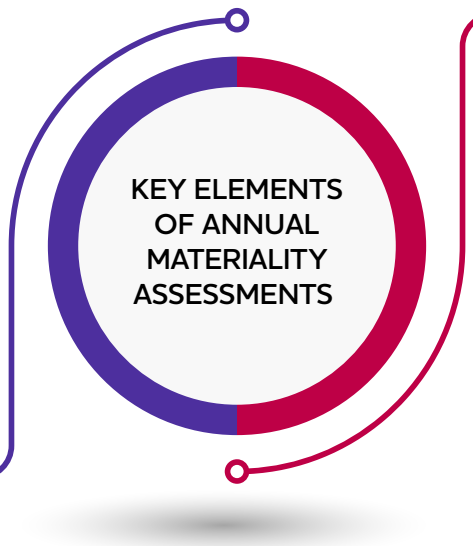
- **As needed:** Governance RFIs/RFPs; presentations; project meetings; reviews; calls and meetings; surveys; consultative sessions; field visits; due diligence; calls and meetings; conferences and seminars; surveys; press releases; press conferences; media interviews and quotes; sponsored events
- **Continuous:** TCS website

Identification of Material Topics

TCS conducts annual materiality assessments to update the list of material topics. The key elements of that assessment include:

ENGAGEMENT WITH STAKEHOLDERS

Stakeholder interactions result in the identification of a broad funnel of issues important to each of the constituencies. The Company's Sustainability Council uses discussions with internal and external stakeholders, as well as its own judgment, to prioritize and arrive at a list of material topics with significant economic, environmental, or social impacts on TCS' business, reputation, and operations.



SUSTAINABILITY CONTEXT AND VALUE CHAIN

The company looks at the role of TCS in wider sustainability issues, the impact the company has through its customer engagements and its operations, and the role that the company experts play in professional associations, industry forums and other thought leadership activities to address important issues raised by stakeholders.

Key Material Topics[6], Key Concerns[7], Boundary of impact[8] and TCS approach to them are listed below:

Why this is material	Key Concerns	TCS Approach (Page Reference Number)	Boundary of impact	GRI Indicators
Corporate Governance				
Strong corporate governance that considers - stakeholder concerns, engenders trust, oversees business strategies, and ensures fiscal accountability, ethical corporate behavior, and fairness to all stakeholders is core to achieving the organization's longer-term mission.	• Governance Structure and composition	• Pg 72	Internal	102-18
	• Independence of the Board and Minority Interest	• Pg 73		102-16
	• Avoidance of conflict of interest	• Pg 73		
	• Board oversight	• Pg 73		
	• Disclosure and Transparency	• Pg 73; Disclosures – Pg 87-89 • Internal financial control systems and their adequacy - Pg 140		
	• Value, ethics and compliance	• Pg 73		
	• Enterprise Risk Management	• Pg 131		
	• Succession Planning	• Pg 74		
	• Remuneration Policy	• Pg 82		

[6] 102-47

[7] 102-44

[8] 102-46, 102-47: Boundary of Impact: Internal includes all TCS offices and campuses, 103-1

Why this is material	Key Concerns	TCS Approach (Page Reference Number)	Boundary of impact	GRI Indicators
Business Sustainability				
A financially strong, viable business that is able to adapt to changing technology landscapes to remain relevant to customers and profitably grow its revenues year-on-year is essential to meet longer term expectations of stakeholders.	• Economic performance • Demand sustainability • Investments in capability development	• Performance Overview – Pg 127 • Strategy for sustainable growth – Pg 103 • TCS Strategy – Pg 106 • Business outlook – Pg 131 • Enabling investments – Pg 104 • Intellectual Capital – Pg 115	Internal	201-1
Talent Management				
The company's ability to attract, develop, motivate, and retain talent is critical to business success.	• Talent acquisition • Talent development • Diversity and Equal opportunity • Talent retention • Employee engagement • Occupational Health and safety	• Pg 109 • Pg 110 • Pg 112 • Pg 112 • Pg 110 • Pg 113	Internal	401-3 402-1 403-4 404-1 405-2

Why this is material	Key Concerns	TCS Approach (Page Reference Number)	Boundary of impact	GRI Indicators
Social Responsibility				
The business must be rooted in community and be aligned with the community's larger interests. Any adversarial relationship can hurt the company's ability to create longer term value.	• Local communities	• Social Capital – Pg 145	External	413-1
	• Education and skill development	• Education – Pg 146 • Skill Development – Pg 148		
	• Job creation	• Employment and employability – Pg 149		
	• Taxes payable in different regions	• TCS standalone income taxes – Pg 311-315 • Country-wise subsidiary income taxes – Pg 324-327		
	• Health and wellness	• Occupational Health and Safety – Pg 113		
	• Environmental stewardship	• Natural Capital – Pg 169		
Environmental Footprint				
Business sustainability is linked to the planet's sustainability. Moreover, good environmental practices result in greater operational efficiency, adding to financial sustainability.	• Energy consumption	• The path to energy efficiency – Pg 171	Internal	302-1
	• GHG emissions	• Managing the carbon footprint – Pg 170		303-3
	• Water management	• Water conservation – Pg 172		305-1
	• Effluents and waste	• Waste reduction and reuse – Pg 173		306-1

GRI Content Index[9]

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GRI 102: General disclosures 2016			
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GRI Standard	Disclosure	Page No.	Omission
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GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	341	
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GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	341	
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GRI Standard	Disclosure	Page No.	Omission
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GRI 103: Management Approach 2016	103-1 Explanation of the material topics and its boundaries	341	
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Ernst & Young Associates LLP
5th Floor, Block B-2
Nirlon Knowledge Park
Off. Western Express Highway
Goregaon (E), Mumbai - 400063, India

Tel: +91 22 6192 0000
Fax: +91 22 6192 3000
ey.com

INDEPENDENT ASSURANCE STATEMENT

The Board of Directors and Management
Tata Consultancy Services Limited
Mumbai, India

Ernst & Young Associates LLP (EY) was engaged by Tata Consultancy Services Limited (the 'Company') to provide independent assurance on its Integrated Report (the 'Report') for the Financial Year 2020-21

The sustainability data reported in the Report is based on Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016 ('GRI Standards') and its subsequent updates in 2018 and 2020; its content and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Scope of assurance
The scope of assurance covers the following aspects of the Report:

- Data and information related to the Company's sustainability performance pertaining to the GRI Standards listed below, for the period 1st April 2020 to 31st March 2021;
- The Company's internal protocols, processes, and controls related to the collection and collation of specified sustainability performance data;
- Remote Verification of data and related information through consultations at the Company's Head Office in Mumbai as well as desk reviews of the following locations:
    a) Synergy Park, Hyderabad
    b) Gitanjali Park, Kolkata
    c) TCS Centre, Kochi

- Review of data on a sample basis, at the above-mentioned locations, pertaining to the following disclosures of the GRI Standards:
    a) Environmental Topics: Energy (302-1), Water (303-3, 303-5), Emissions (305-1 to 305-5), Waste (306-1, 306-2), and paper consumption (non-GRI);

    b) Social Topics: Information on employees (102-8), Occupational Health & Safety (403-4), Training and Education (404-1), Diversity and Equal Opportunity (405-1), Local Communities (413-1).

Limitations of our review
The assurance scope excludes:
- Operations of the Company other than those mentioned in the 'Scope of Assurance';
- Aspects of the Report and data/information other than those mentioned above;
- Data and information outside the defined reporting period *i.e.* 1st April 2020 to 31st March 2021;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
- Review of the Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters;
- Data and information on economic and financial performance of the Company
- Review of qualitative statements and case studies in various sections of the Report.

Assurance criteria
The assurance engagement was planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). Our evidence-gathering procedures were designed to obtain a 'Limited' level of assurance (as set out in ISAE 3000) on reporting principles, as well as conformance of sustainability performance disclosures as per GRI Standards.

What we did to form our conclusions
In order to form our conclusions, we undertook the following key steps:
- Interviews with select key personnel and the core team responsible for the preparation of the Report to understand the Company's sustainability vision, mechanism for management of sustainability issues and engagement with key stakeholders;
- Interactions with the key personnel at the Company's locations of operations to understand and review the current processes in place for capturing sustainability performance data;
- Data assurance through desk reviews covering the Company's corporate office and other operational locations as mentioned in the 'Scope of Assurance' above;
- Review of relevant documents and systems for gathering, analyzing and aggregating sustainability performance data in the reporting period.

Our observations
The Company has demonstrated its commitment to sustainable development by reporting its performance on various material topics for FY 2020-21. The Company has prepared Report having sustainability data in accordance with GRI standards (Core). The Report includes a description of the Company's stakeholder engagement process, materiality assessment and relevant performance disclosures on the identified material topics.

Our conclusion
On the basis of our review scope and methodology, nothing has come to our attention that causes us not to believe that the data has been presented fairly, in material respects, in keeping with the GRI Standards and the Company's reporting principles and criteria.

Our assurance team and independence
Our assurance team, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant Indian and international businesses. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants[1]. EY's independence policies and procedures ensure compliance with the Code.

for Ernst & Young Associates LLP,

Chaitanya Kalia
Partner
19.05.2021
Mumbai

[1] International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. This *Code* establishes ethical requirements for professional accountants.

TATA CONSULTANCY SERVICES

TCS Safe Harbor Clause

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to, our ability to manage growth, intense competition among global IT services companies, various factors which may affect our profitability, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on cross-border movement of skilled personnel, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which TCS has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property, pandemics, natural disasters and general economic conditions affecting our industry. TCS may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

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Tata Consultancy Services Limited
9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021
www.tcs.com



