TCS/SE/34/2020-21

May 29, 2020

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: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Letter received from SEBI

As directed by the Securities and Exchange Board of India (SEBI), we are enclosing letter dated May 28, 2020 received from SEBI, which is self-explanatory. The letter is in relation to a disclosure made by the Company to the stock exchanges on April 16, 2016. The disclosure was concerning a law suit filed against the Company in the US Court by one EPIC Systems Corporation.

This is for your information and record.

Thanking you,

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

Rajendra Moholkar
Company Secretary

Encl: As above

Pradeep Ramakrishnan
General Manager
Corporation Finance Department
Compliance & Monitoring Division
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भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange Board of India

SEBI/HO/CFD/CMD2/OW/P/2020/10694/1
May 28, 2020

Shri Rajendra Moholkar
Company Secretary
Tata Consultancy Services Limited (TCS)
TCS House, Raveline Street
Fort, Mumbai-400 001

Sub: Warning Letter – disclosure under Regulation 30 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir,

1. This is in reference to the disclosure made by TCS to the stock exchanges on April 16, 2016 (titled *"TCS says no IP infringement in Epic Systems case; Company to defend its position"*) in relation to the jury verdict issued against TCS in the EPIC case filed in US.

2. It is observed that the said disclosure made by TCS to the stock exchanges has, *inter-alia,* indicated the following:
   - TCS received a jury verdict in lawsuit filed by Epic Systems in the court of Western District Madison, Wisconsin.
   - The Jury's verdict on liability and damages was unexpected as TCS believes that they are unsupported by the evidence presented during the trial.
   - TCS appreciates the trial judge announcement from the bench that he is almost certain he will reduce the damages award.
   - The Jury's verdict will not have any impact on the TCS Q4 and FY16 financial results to be announced on Monday, April 18, 2016.

3. The said disclosure did not mention that a penalty of $940 million was imposed against TCS as part of the verdict. However, in the financial results declared two days later on April 18, 2016, Rs. 6227.03 crore/US $940 million was shown as damages awarded by Jury verdict, as part of contingent liabilities (under *'Notes forming part of the Consolidated Financial Statements'*).

4. It is pertinent to note that in a related disclosure dated October 1, 2017, TCS has specifically mentioned that the court significantly reduced the compensatory and punitive damages of $940 million awarded by the Jury verdict in April 2016, to $420 million.

5. The damages are substantial, more so when seen in comparison to Rs. 24,292 crore net profit of TCS (consolidated) for FY 16. The disclosures made by TCS to Stock Exchanges on April 16, 2016 should have prominently displayed the extent of damages to enable investors to assess the impact of the Jury's verdict on the financials of the listed entity. This goes against the spirit of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 which requires that the listed entities shall ensure that the disseminations made by them are adequate, accurate, explicit, timely and presented in a simple language to the investors.

6. In view of the above, you are hereby warned to be careful in dealing with disclosure of material information in the future and to ensure that the disclosures provide adequate, accurate, explicit, & timely information to the investors. You are advised to exercise proper due diligence in future and avoid recurrence of such instances.

7. You are also advised to place this letter before the board and to disseminate this letter to the stock exchanges.

8. The stock exchanges are advised to take note of the contents of the letter.

Yours faithfully,

Pradeep Ramakrishnan

CC:

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Phiroze Jeejebhoy Towers, Dalal Street,
Mumbai – 400 001

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Exchange Plaza, C-1, Block G,
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