



TCS/BM/193/SE/2019-20

November 12, 2019

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

Dear Sir/Madam,

Sub: Clarification on Segment Reporting

With reference to your email dated November 2, 2019 seeking clarification on disclosure of segment assets/liabilities in the financial results for the quarter and six months ended September 30, 2019, we wish to clarify the following:

- 1) The Company has been reporting assets and liabilities of the Group by segments as required by Ind AS 108 till the last financial results published for the year/quarter ended March 31, 2019. Since the resources generating assets and liabilities of the Group are capable of being used interchangeably amongst segments, tagging the assets and liabilities as it existed at a point in time will not really provide the users a fair idea of the resources committed for a particular segment. However, since segment assets and liabilities were required to be reported as per Ind AS 108, most of the Group's assets and liabilities were allocated to segments on a rational basis. Such allocation may not result in a meaningful segregation which would help the intended users in drawing conclusion on the balance sheet position for a segment.
- 2) Ind AS 108 permits the entities from not disclosing the assets and liabilities if such identification and disclosure is onerous and does not provide meaningful information to the intended users. Therefore, the Group has discontinued reporting assets and liabilities at reported segment level with effect from the disclosure of financial results of the first quarter of FY2020 onwards.
- 3) In the notes to accounts of the financial statements of the Group for the quarter and six months ended September 30, 2019, appropriate disclosure detailing the reasons for non-reporting of assets and liabilities at reported segment level has been made as per the requirements of Indian Accounting Standards. The aforesaid financial statements along with the notes are uploaded on the website of the Company <https://www.tcs.com/content/dam/tcs/investor-relations/financial-statements/2019-20/q2/IND%20AS/Consolidated.pdf>
- 4) In the financial results for the quarter and period ended December 31, 2019, we will provide a clarificatory note for non-disclosure of segment level assets and liabilities.

Request you to kindly take the above clarification on record.

Thanking you,

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

Rajendra Moholkar
Company Secretary

TATA CONSULTANCY SERVICES

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