

EXTRACT FROM AUDITED ACCOUNTS
OF
TATA CONSULTANCY SERVICES LIMITED
AS AT MARCH 31, 2015

TATA CONSULTANCY SERVICES LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

(₹ crores)

	Note	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	195.87	195.87
(b) Reserves and surplus	4	45220.57	43856.01
		<u>45416.44</u>	<u>44051.88</u>
Non - current liabilities			
(a) Long - term borrowings	5	64.71	89.69
(b) Deferred tax liabilities (net)	6(a)	271.46	226.87
(c) Other long - term liabilities	7	722.15	690.44
(d) Long - term provisions	8	126.91	279.61
		<u>1185.23</u>	<u>1286.61</u>
Current liabilities			
(a) Short - term borrowings	9	185.56	-
(b) Trade payables		6767.25	3977.55
(c) Other current liabilities	10	2491.47	2460.32
(d) Short - term provisions	11	7019.35	5827.83
		<u>16463.63</u>	<u>12265.70</u>
TOTAL		<u>63065.30</u>	<u>57604.19</u>
II. ASSETS			
Non - current assets			
(a) Fixed assets			
(i) Tangible assets	12	7964.88	5887.09
(ii) Intangible assets		31.41	42.10
(iii) Capital work-in-progress		<u>2706.94</u>	<u>3047.53</u>
		<u>10703.23</u>	<u>8976.72</u>
(b) Non - current investments	13	2651.23	5098.55
(c) Deferred tax assets (net)	6(b)	303.47	273.58
(d) Long - term loans and advances	14	8452.55	6875.54
(e) Other non - current assets	15	524.68	1544.99
		<u>22635.16</u>	<u>22769.38</u>
Current assets			
(a) Current investments	16	747.47	733.87
(b) Inventories	17	12.34	8.57
(c) Unbilled revenues	18	2439.36	2626.08
(d) Trade receivables	19	17036.76	14471.89
(e) Cash and bank balances	20	16502.50	12566.26
(f) Short - term loans and advances	21	3352.18	3688.12
(g) Other current assets	22	339.53	740.02
		<u>40430.14</u>	<u>34834.81</u>
TOTAL		<u>63065.30</u>	<u>57604.19</u>

III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1-50

As per our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board

P. R. Ramesh
Partner

Cyrus Mistry
Chairman

N. Chandrasekaran
CEO and Managing Director

Prof. Clayton M. Christensen
Director

Aman Mehta
Director

Ishaat Hussain
Director

V. Thyagarajan
Director

Dr. Ron Sommer
Director

Dr. Vijay Kelkar
Director

Rajesh Gopinathan
Chief Financial Officer

Phiroz Vandrevala
Director

O.P. Bhatt
Director

Aarthi Subramanian
Director

Suprakash Mukhopadhyay
Company Secretary

Mumbai, April 16, 2015

Mumbai, April 16, 2015

TATA CONSULTANCY SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

			(₹ crores)
	Note	2015	2014
I. Revenue from operations	23	73578.06	64672.93
(Net of excise duty of ₹ 4.09 crores (Previous year: ₹ 3.15 crores))			
II. Other income (net)	24	4466.73	3114.71
III. TOTAL REVENUE		78044.79	67787.64
IV. Expenses:			
(a) Employee benefit expenses	25	27368.32	21466.56
(b) Operation and other expenses	26	25181.54	21672.65
(c) Finance costs	27	79.57	23.41
(d) Depreciation and amortisation expenses	12	1393.77	1080.55
TOTAL EXPENSES		54023.20	44243.17
V. PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III-IV)		24021.59	23544.47
VI. Exceptional item	47	528.38	-
VII. PROFIT BEFORE TAX		24549.97	23544.47
VIII. Tax expense:			
(a) Current tax	28	5269.48	5130.03
(b) Deferred tax		14.70	(22.18)
(c) MAT credit entitlement	28	8.83	(38.30)
		5293.01	5069.55
IX. PROFIT FOR THE YEAR		19256.96	18474.92
X. Earnings per equity share: - Basic and diluted (₹)	34	98.31	94.15
Weighted average number of equity shares		195,87,27,979	195,87,27,979
(face value of ₹ 1 each)			
XI. NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-50		

*As per our report attached
For Deloitte Haskins & Sells LLP
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Mumbai, April 16, 2015

Mumbai, April 16, 2015

TATA CONSULTANCY SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	Note	2015	2014
(₹ crores)			
I CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxes		24549.97	23544.47
Adjustments for:			
Depreciation and amortisation expense		865.39	1080.55
Bad Debts written off		5.69	2.37
Provision for doubtful receivables		124.56	68.26
Provision for doubtful advances		(13.10)	8.78
Advances (written back) / written-off		19.50	(0.12)
Provision for diminution in value of long-term investments		2.50	-
Interest expense		79.57	23.41
Profit on sale of fixed assets (net)		(2.94)	(2.01)
Unrealised exchange loss / (gain)		91.64	(173.12)
Exchange difference on translation of foreign currency cash and cash equivalents		27.26	(43.66)
Dividend income (including exchange gain)		(1335.54)	(1570.70)
Interest income		(1554.93)	(1280.07)
Profit on redemption of mutual funds and sale of other current investments (net)		(225.99)	(162.77)
Operating Profit before working capital changes		22633.58	21495.39
Inventories		(3.77)	(2.23)
Unbilled revenue		187.39	(320.84)
Trade receivables		(2694.09)	(2976.90)
Loans and advances and other assets		(596.97)	(66.41)
Trade payables, other liabilities and provisions		3114.32	908.34
Cash generated from operations		22640.46	19037.35
Taxes paid		(6320.57)	(6095.42)
Net cash provided by operating activities		16319.89	12941.93
II CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(2568.72)	(2702.41)
Proceeds from sale of fixed assets		4.23	7.97
Purchase of trade investments		(60.83)	(25.00)
Proceeds from sale / redemption of trade investments		253.36	54.66
Purchase of mutual funds and other investments		(62938.73)	(75191.82)
Proceeds from redemption of mutual funds and sale of other investments		65389.79	73705.98
Loans repaid by subsidiaries		37.32	8.30
Inter-corporate deposits placed		(1777.00)	(2588.00)
Inter-corporate deposits matured		1880.00	3454.77
Earmarked deposits placed with banks		(49.00)	-
Earmarked deposits with banks matured		25.27	-
Fixed deposit placed with banks having original maturity over three months		(15000.75)	(11744.00)
Fixed deposit with banks matured having original maturity over three months		12126.90	4960.33
Dividend received from subsidiaries (including exchange gain)		1354.31	1551.10
Dividend received from other investments		0.48	0.35
Interest received		1934.38	1318.45
Net cash used in investing activities		611.01	(7189.32)

TATA CONSULTANCY SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Continued)			(₹ crores)
	Note	2015	2014
III CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings (net)		185.56	(80.02)
Repayment of long-term borrowings		(0.47)	(1.24)
Dividend paid (including dividend tax and dividend paid to minority shareholders of TCS e-Serve Limited)		(17020.46)	(5480.07)
Interest paid		(78.83)	(22.99)
Redemption of preference shares		-	(100.00)
Net cash used in financing activities		(16914.20)	(5684.32)
Net increase in cash and cash equivalents		16.70	68.29
Cash and cash equivalents at beginning of the year		438.37	323.85
Add: Transferred consequent to amalgamation of companies		1.97	2.57
Exchange difference on translation of foreign currency cash and cash equivalents		(27.26)	43.66
Cash and cash equivalents at end of the year	20	429.78	438.37
Earmarked balances with banks		69.97	14.99
Short - term bank deposits		16002.75	12112.90
Cash and Bank balances at the end of the year	20	16502.50	12566.26
IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-50		

Cash flows have been adjusted for the balances transferred from the amalgamated companies.

As per our report attached

*For **Deloitte Haskins & Sells LLP**
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TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1) CORPORATE INFORMATION

Tata Consultancy Services Limited (referred to as “TCS Limited” or “the Company”) provide consulting-led integrated portfolio of Information technology (IT) and IT-enabled services delivered through a network of multiple locations around the globe. The Company’s full services portfolio consists of IT and Assurance Services, Business Intelligence and Performance Management, Business Process Services, Cloud Services, Connected Marketing Solutions, Consulting, Eco-sustainability Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, iON-Small and Medium Businesses, IT Infrastructure Services, Mobility Products and Services and Platform Solutions.

As at March 31, 2015, Tata Sons Limited owned 73.69% of the Company’s equity share capital and has the ability to control its operating and financial policies. The Company’s registered office is in Mumbai and it has 60 subsidiaries across the globe.

2) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (‘Indian GAAP’) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

Comparative figures do not include the figures of erstwhile WTI Advanced Technology Limited which is amalgamated with the Company effective April 1, 2014. Consequently, the comparative figures are not comparable with the figures for the year ended March 31, 2015.

b) Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise.

c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation / amortisation. Costs include all expenses incurred to bring the asset to its present location and condition.

Fixed assets exclude computers and other assets individually costing ₹ 50,000 or less which are not capitalised except when they are part of a larger capital investment programme.

d) Depreciation / Amortisation

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/ amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Type of asset	Period
Leasehold land and buildings	Lease period
Freehold buildings	20 years
Factory buildings	20 years
Leasehold improvements	Lease period
Plant and machinery	10 years
Computer equipment	4 years
Vehicles	4 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	5 years
Intellectual property / distribution rights	5 years
Rights under licensing agreement	License period

Fixed assets purchased for specific projects will be depreciated over the period of the project or the useful life stated above, whichever is shorter.

e) Leases

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis.

f) Impairment

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised as income in the statement of profit and loss.

g) Investments

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds are stated at the lower of cost and fair value.

h) Employee benefits

(i) Post-employment benefit plans

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to such benefits.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

extent that the benefits are already vested, or amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

(ii) Other employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave, overseas social security contributions and performance incentives.

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.

i) Revenue recognition

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from the sale of equipment are recognised upon delivery, which is when title passes to the customer.

Revenues from sale of software licences are recognised upon delivery.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

In respect of Business Process Outsourcing (BPO) services, revenue on time and material and unit priced contracts is recognised as the related services are rendered, whereas revenue from fixed price contracts is recognised as per the proportionate completion method with contract cost determining the degree of completion.

Revenues are reported net of discounts.

Dividends are recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

j) Taxation

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

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

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

k) Foreign currency transactions

Income and expenses in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses are recognised in the statement of profit and loss. Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a foreign currency translation reserve.

Premium or discount on foreign exchange forward, options and futures contracts are amortised and recognised in the statement of profit and loss over the period of the contract. Foreign exchange forward, options and future contracts outstanding at the balance sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the statement of profit and loss.

l) Derivative instruments and hedge accounting

The Company uses foreign exchange forward, options and future contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges.

The use of hedging instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the statement of profit and loss. The Company separates the intrinsic value and time value of an option and forward and designates as hedging instruments, only the fair value change in the intrinsic value of the option and forward. The change in fair values of the time value of option, which was previously recognised immediately in profit or loss, is now accumulated in hedging reserve, a component of shareholders' funds and is classified to profit or loss when the forecast transaction occurs.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there and is classified to Statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss for the year.

m) Inventories

Raw materials, sub-assemblies and components are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Purchased goods-in-transit are carried at cost. Work-in-progress is carried at the lower of cost and net realisable value. Stores and spare parts are carried at lower of cost and net realisable value. Finished goods produced or purchased by the Company are carried at lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

n) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

o) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount 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.

3) SHARE CAPITAL

The Authorised, Issued, Subscribed and Fully paid-up share capital comprises of equity shares and redeemable preference shares having a par value of ₹ 1 each as follows:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
Authorised		
(i) 420,05,00,000 equity shares of ₹ 1 each (March 31, 2014 : 420,05,00,000 equity shares of ₹ 1 each)	420.05	420.05
(ii) 105,02,50,000 redeemable preference shares of ₹ 1 each (March 31, 2014 : 105,02,50,000 redeemable preference shares of ₹ 1 each)	105.03	105.03
	<u>525.08</u>	<u>525.08</u>
Issued, Subscribed and Fully paid up		
(i) 195,87,27,979 equity shares of ₹ 1 each (March 31, 2014 : 195,87,27,979 equity shares of ₹ 1 each)	195.87	195.87
	<u>195.87</u>	<u>195.87</u>

(a) Reconciliation of number of shares

	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Amount (₹ crores)	Number of shares	Amount (₹ crores)
Equity shares				
Opening balance	195,87,27,979	195.87	195,72,20,996	195.72
Issued during the year	-	-	15,06,983	0.15
Closing balance	<u>195,87,27,979</u>	<u>195.87</u>	<u>195,87,27,979</u>	<u>195.87</u>
Preference shares				
Opening balance	-	-	100,00,00,000	100.00
Redeemed during the year	-	-	(100,00,00,000)	(100.00)
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(b) Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. 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.

Preference shares

Preference shares carry a fixed cumulative dividend of 1% per annum and a variable non-cumulative dividend of 1% of the difference between the rate of dividend declared during the year on the equity shares of the Company and the average rate of dividend declared on the equity shares of the Company for three years preceding the year of issue of the redeemable preference shares.

(c) Shares held by holding company, its subsidiaries and associates

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
Equity shares		
Holding Company		
144,34,51,698 equity shares (March 31, 2014 : 144,34,51,698 equity shares) are held by Tata Sons Limited	144.35	144.35
Subsidiaries and associates of Holding Company		
10,29,700 equity shares (March 31, 2014 : 10,29,700 equity shares) are held by Tata Industries Limited	0.10	0.10
5,90,452 equity shares (March 31, 2014 : 5,90,452 equity shares) are held by Tata Investment Corporation Limited	0.06	0.06
200 equity shares (March 31, 2014 : 200 equity shares) are held by Tata Capital Limited	-	-
83,232 equity shares (March 31, 2014 : 83,232 equity shares) are held by Tata International Limited	0.01	0.01
452 equity shares (March 31, 2014 : 452 equity shares) are held by The Tata Power Company Limited	-	-
Total	144.52	144.52

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2015	As at March 31, 2014
Equity shares		
Tata Sons Limited, the Holding Company	144,34,51,698 73.69%	144,34,51,698 73.69%

(e) Shares allotted as fully paid up (during 5 years preceding March 31, 2015) include equity shares issued:

Pursuant to contract without payment being received in cash

15,06,983 equity shares issued to the shareholders of TCS e-Serve Limited in terms of the composite scheme of arrangement (Scheme) sanctioned by the High Court of Judicature at Bombay vide their Order dated September 6, 2013.

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4) RESERVES AND SURPLUS

Reserves and surplus consist of the following reserves:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Capital redemption reserve		
(i) Opening balance	100.00	-
(ii) Adjustment on amalgamation (Refer Note 29)	0.40	-
(iii) Addition during the year (net)	-	100.00
	100.40	100.00
(b) Capital reserve		
(i) Opening balance	-	-
(ii) Transferred on account of amalgamation (Refer Note 29)	0.34	-
	0.34	-
(c) Securities premium reserve		
(i) Opening balance	1918.87	1918.47
(ii) Transferred on account of amalgamation	-	0.40
	1918.87	1918.87
(d) Foreign currency translation reserve		
(i) Opening balance	225.85	174.61
(ii) (Deduction) / Addition during the year (net)	(7.39)	51.24
	218.46	225.85
(e) Hedging reserve account (Refer Note 38)		
(i) Opening balance	29.64	55.49
(ii) Adjustment on amalgamation (Refer Note 29)	-	(8.33)
(iii) Addition / (deduction) during the year (net)	121.11	(17.52)
	150.75	29.64
(f) General reserve		
(i) Opening balance	5161.20	5515.11
(ii) Adjustment on amalgamation (Refer Note 29)	(34.20)	(2201.40)
(iii) Transferred from surplus in statement of profit and loss	1925.69	1847.49
	7052.69	5161.20
(g) Surplus in statement of profit and loss		
(i) Opening balance	36420.45	24602.85
(ii) Add: Transferred on amalgamation (Refer Note 29)	71.78	2375.22
(ii) Add : Profit for the year	19256.96	18474.92
	55749.19	45452.99
Less : Appropriations		
(a) Interim dividends on equity shares	10772.92	2349.87
(b) Proposed final dividend on equity shares	4700.95	3917.46
(c) Dividend on redeemable preference shares	-	28.76
(d) Tax on dividend	2591.54	788.96
(e) Write back of tax on dividend of prior year	(20.97)	-
(f) General reserve	1925.69	1847.49
(g) Capital redemption reserve	-	100.00
	35779.06	36420.45
	45220.57	43856.01

The Board of Directors at its meeting held on April 16, 2015 has recommended a final dividend of ₹ 24 per equity share.

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5) LONG – TERM BORROWINGS

Long - term borrowings consist of the following:

	(₹ crores)	
	As at	As at
	March 31, 2015	March 31, 2014
(a) Secured loans		
Long term maturities of obligations under finance lease (Refer Note 33)	64.13	88.64
(b) Unsecured loans		
Other borrowings (from entities other than banks)	0.58	1.05
	<u>64.71</u>	<u>89.69</u>

Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

6) DEFERRED TAX BALANCES

Major components of the deferred tax balances consist of the following:

	(₹ crores)	
	As at	As at
	March 31, 2015	March 31, 2014
(a) Deferred tax liabilities (net)		
(i) Foreign branch profit tax	256.03	217.88
(ii) Depreciation and amortisation	15.43	8.99
	<u>271.46</u>	<u>226.87</u>
(b) Deferred tax assets (net)		
(i) Depreciation and amortisation	(146.58)	(57.57)
(ii) Employee benefits	180.90	152.74
(iii) Provision for doubtful receivables, loans and advances	129.04	93.68
(iv) Operating lease liabilities	65.69	55.47
(v) Others	74.42	29.26
	<u>303.47</u>	<u>273.58</u>

7) OTHER LONG - TERM LIABILITIES

Other long - term liabilities consist of the following:

	(₹ crores)	
	As at	As at
	March 31, 2015	March 31, 2014
(a) Capital creditors	67.53	92.27
(b) Operating lease liabilities	310.90	254.18
(c) Others	343.72	343.99
	<u>722.15</u>	<u>690.44</u>

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

8) LONG - TERM PROVISIONS

Long - term provisions consist of the following:

	(₹ crores)	
	As at	As at
	March 31, 2015	March 31, 2014
(a) Provision for employee benefits :		
(i) Gratuity	-	137.70
(ii) Others	32.43	31.23
(b) Provision for other payables	94.48	110.68
	<u>126.91</u>	<u>279.61</u>

9) SHORT – TERM BORROWINGS

Short - term borrowings consist of the following:

	(₹ crores)	
	As at	As at
	March 31, 2015	March 31, 2014
<u>Unsecured Loans</u>		
<u>From Banks</u>		
Overdraft	185.56	-
	<u>185.56</u>	<u>-</u>

10) OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

	(₹ crores)	
	As at	As at
	March 31, 2015	March 31, 2014
(a) Current maturities of long-term debt	0.47	0.47
(b) Current maturities of obligations under finance lease (Refer Note 33)	22.11	25.32
(c) Interest accrued but not due on borrowings	0.02	0.03
(d) Income received in advance	854.67	753.74
(e) Unclaimed dividends	19.41	13.49
(f) Advance received from customers	26.18	21.96
(g) Operating lease liabilities	44.86	26.26
(h) Other payables	1523.75	1619.05
	<u>2491.47</u>	<u>2460.32</u>

Other payables comprises of :

Fair value of foreign exchange forward and currency option contracts secured against trade receivables	19.75	22.95
Statutory liabilities	568.83	585.98
Capital creditors	299.05	418.74
Others	636.12	591.38

Obligations under finance lease are secured against fixed assets obtained under finance lease arrangements.

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11) SHORT - TERM PROVISIONS

Short - term provisions consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Provision for employee benefits	951.52	761.99
(b) Others		
(i) Proposed final dividend on equity shares	4700.95	3917.46
(ii) Proposed dividend on redeemable preference shares	-	28.76
(iii) Tax on dividend	939.91	670.66
(iv) Current income taxes (net)	323.93	411.35
(v) Provision for other payables	103.04	37.61
	7019.35	5827.83

Provisions for employee benefits include provision for compensated absences and other short term employee benefits.

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12) FIXED ASSETS

Fixed assets consist of the following:

(i) Tangible assets

(₹ in crores)

Description	Freehold land	Leasehold land	Freehold buildings	Factory buildings	Leasehold buildings	Leasehold improvements	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Electrical installations	Total
Gross Block as at April 1, 2014	326.21	209.48	3137.73	2.77	9.81	976.73	10.29	754.73	25.01	1318.34	3464.15	942.76	11178.01
	325.57	193.97	2622.72	2.77	9.81	769.50	10.67	540.15	22.12	1032.00	2818.87	759.37	9107.52
Additions	0.30	1.01	1242.32	-	-	207.97	116.40	201.12	4.80	209.69	711.64	241.11	2936.36
	0.64	15.51	515.01	-	-	229.72	-	219.76	5.11	299.89	766.19	197.45	2249.28
Deletions / Adjustments	-	-	(0.34)	-	-	(0.59)	(0.01)	(2.01)	(3.33)	(1.70)	(41.89)	(0.87)	(50.74)
	-	-	-	-	-	(22.49)	(0.38)	(5.18)	(2.22)	(13.55)	(120.91)	(14.06)	(178.79)
Gross Block as at March 31, 2015	326.51	210.49	4379.71	2.77	9.81	1184.11	126.68	953.84	26.48	1526.33	4133.90	1183.00	14063.63
	326.21	209.48	3137.73	2.77	9.81	976.73	10.29	754.73	25.01	1318.34	3464.15	942.76	11178.01
Accumulated depreciation as at April 1, 2014	-	(15.45)	(577.96)	(1.43)	(8.53)	(512.98)	(10.27)	(665.61)	(15.79)	(589.27)	(2483.94)	(409.69)	(5290.92)
	-	(12.58)	(451.33)	(1.23)	(8.34)	(405.62)	(10.60)	(447.48)	(13.13)	(426.63)	(1966.49)	(304.61)	(4048.04)
Depreciation for the year	-	(2.97)	138.11	(0.08)	(0.21)	(119.56)	(5.99)	(44.38)	(5.58)	(259.60)	(555.67)	1.75	(854.18)
	-	(2.87)	(126.64)	(0.20)	(0.21)	(93.75)	(0.05)	(187.88)	(2.81)	(113.26)	(449.53)	(88.10)	(1065.30)
Deletions / Adjustments	-	-	0.08	-	-	0.59	0.01	1.69	3.18	0.42	39.76	0.62	46.35
	-	-	0.01	-	0.02	(13.61)	0.38	(30.25)	0.15	(49.38)	(67.92)	(16.98)	(177.58)
Accumulated depreciation as at March 31, 2015	-	(18.42)	(439.77)	(1.51)	(8.74)	(631.95)	(16.25)	(708.30)	(18.19)	(848.45)	(2999.85)	(407.32)	(6098.75)
	-	(15.45)	(577.96)	(1.43)	(8.53)	(512.98)	(10.27)	(665.61)	(15.79)	(589.27)	(2483.94)	(409.69)	(5290.92)
Net book value as at March 31, 2015	326.51	192.07	3939.94	1.26	1.07	552.16	110.43	245.54	8.29	677.88	1134.05	775.68	7964.88
	326.21	194.03	2559.77	1.34	1.28	463.75	0.02	89.12	9.22	729.07	980.21	533.07	5887.09

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12) FIXED ASSETS (Contd.)

Fixed assets consist of the following:

(ii) Intangible assets			(₹ in crores)
Description	Intellectual property / Distribution rights	Rights under licensing agreement	Total
Gross Block as at April 1, 2014	13.21	124.51	137.72
	12.63	63.21	75.84
Additions	-	3.90	3.90
	0.58	60.96	61.54
Deletions / Adjustments	-	-	-
	-	0.34	0.34
Gross Block as at March 31, 2015	13.21	128.41	141.62
	13.21	124.51	137.72
Accumulated amortisation as at April 1, 2014	(12.43)	(83.19)	(95.62)
	(11.82)	(19.22)	(31.04)
Amortisation for the year	(0.68)	(10.53)	(11.21)
	(0.61)	(14.64)	(15.25)
Deletions / Adjustments	-	(3.38)	(3.38)
	-	(49.33)	(49.33)
Accumulated amortisation as at March 31, 2015	(13.11)	(97.10)	(110.21)
	(12.43)	(83.19)	(95.62)
Net book value as at March 31, 2015	0.10	31.31	31.41
	0.78	41.32	42.10
(iii) Capital work-in-progress			(₹ in crores)
Description	Total		
Capital work-in-progress	2706.94		
	3047.53		

- (a) Additions include Fixed Assets of ₹ 7.75 crores transferred on the amalgamation of WTI Advanced Technology Limited (erstwhile subsidiary of the Company), with the Company, (March 31, 2014: ₹ 512.45 crores transferred on the amalgamation of TCS e-Serve Limited and TCS e-Serve International Limited (erstwhile subsidiaries of the Company), with the Company).
- (b) Deletion/Adjustments in respect of depreciation include ₹ 6.48 crores transferred on the amalgamation of WTI Advanced Technology Limited (erstwhile subsidiary of the Company), with the Company, (March 31, 2014: ₹ 410.29 crores being the amount of accumulated depreciation transferred on the amalgamation of TCS e-Serve Limited and TCS e-Serve International Limited (erstwhile subsidiaries of the Company), with the Company).
- (c) Freehold buildings include ₹ 2.67 crores (March 31, 2014: ₹ 2.67 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.
- (d) Leasehold improvements under finance lease have a net book value of ₹ 56.65 crores (March 31, 2014: ₹ 67.13 crores)
- (e) Computer equipment under finance lease have a net book value of ₹ 18.49 crores (March 31, 2014: ₹ 30.54 crores)
- (f) Legal formalities relating to conveyance of freehold building having net book value ₹ 5.18 crores (March 31, 2014: ₹ 9.81 crores) are pending completion.

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13) NON - CURRENT INVESTMENTS

Non - current investments consist of the following:

In Numbers	Currency	Face value per share	(₹ in crores)		
			As at March 31, 2015	As at March 31, 2014	
(A) TRADE INVESTMENTS (at cost)					
(i) <u>Subsidiary companies</u>					
(a) Fully paid equity shares (quoted)					
1,54,89,922	INR	10	CMC Limited	379.89	379.89
(b) Fully paid equity shares (unquoted)					
2,08,19,92,200	Peso	1	TCS Iberoamerica S.A.	461.31	461.31
15,75,300	INR	10	APOnline Limited	-	-
1,300	EUR	-	Tata Consultancy Services Belgium S.A.	1.06	1.06
66,000	EUR	1000	Tata Consultancy Services Netherlands B.V.	402.87	402.87
1,000	SEK	100	Tata Consultancy Services Sverige AB	18.89	18.89
1	EUR	-	Tata Consultancy Services Deutschland GmbH	1.72	1.72
20,000	USD	10	Tata America International Corporation	452.92	452.92
75,82,820	SGD	1	Tata Consultancy Services Asia Pacific Pte Ltd.	18.69	18.69
-	INR	-	WTI Advanced Technology Limited (Shares cancelled on amalgamation) (Refer Note 29)	-	38.52
3,72,58,815	AUD	1	TCS FNS Pty Limited	211.72	211.72
10,00,001	GBP	1	Diligenta Limited	429.05	429.05
1,000	USD	-	Tata Consultancy Services Canada Inc *	-	-
100	CAD	70653.61	Tata Consultancy Services Canada Inc.	31.25	31.25
51,00,000	INR	10	C-Edge Technologies Limited	5.10	5.10
8,90,000	INR	10	MP Online Limited	0.89	0.89
-	Dirhams	-	Tata Consultancy Services Morocco SARL AU (Shares cancelled on voluntary liquidation)	-	8.17
1,40,00,000	RAND	1	Tata Consultancy Services (Africa) (PTY) Ltd. (56,00,000 shares subscribed during the year)	65.75	4.92
18,89,000	INR	10	MahaOnline Limited	1.89	1.89
-	QAR	-	Tata Consultancy Services Qatar S.S.C.	2.44	2.44
-	USD	-	Computational Research Laboratories Inc. (Shares cancelled on voluntary liquidation)	-	-
10,00,000	INR	100	TCS e-Serve International Limited	10.00	10.00
10,00,000	INR	10	TCS Foundation	-	-
(c) Fully paid preference shares (unquoted)					
1,10,00,000	GBP	1	Diligenta Limited 10% cumulative redeemable preference shares (2,50,00,000 cumulative preference shares redeemed during the year)	101.75	359.45

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13) NON - CURRENT INVESTMENTS (contd.)

In Numbers	Currency	Face value per share		(₹ in crores)	
				As at March 31, 2015	As at March 31, 2014
			(ii) Others		
			(a) Fully paid equity shares (quoted)		
46,386	USD	0.001	Yodlee, Inc.	-	-
			(b) Fully paid equity shares (unquoted)		
25,00,000	INR	10	National Power Exchange Limited	2.50	2.50
1,90,00,000	INR	10	Taj Air Limited	19.00	19.00
69	EUR	297	ALMC HF *	-	-
20,00,000	INR	10	KOOH Sports Private Limited	3.00	3.00
1	INR	10	Ruralshores Business Services Private Limited*	-	-
			(c) Fully paid preference shares (unquoted)		
4,86,617	INR	10	Ruralshores Business Services Private Limited	25.00	25.00
			(B) OTHERS		
			(i) Mutual and other funds (unquoted)		
1,000	INR	100000	India Innovation Fund (₹ 70,384 paid up per share)	7.04	6.36
			(ii) Government securities (unquoted)		
-	INR	-	8.26% Government of India Bond (2027)	-	25.00
			(iii) Bonds and Debentures (unquoted)		
			The Industrial Development Bank of India		
-	INR	-	8.00% IDBI Bonds (2018)	-	0.10
			Infrastructure Development Finance Company Limited		
-	INR	-	9.225% non-convertible debentures (2015)	-	98.08
-	INR	-	8.49% non-convertible debentures (2016)	-	19.05
-	INR	-	9.15% non-convertible debentures (2016)	-	48.63
			LIC Housing Finance Limited		
-	INR	-	8.76% non-convertible debentures (2015)	-	29.36
-	INR	-	9.02% non-convertible debentures (2015)	-	97.32
-	INR	-	9.21% non-convertible debentures (2015)	-	29.35
-	INR	-	9.38% non-convertible debentures (2015)	-	24.36
-	INR	-	9.39% non-convertible debentures (2015)	-	49.25
-	INR	-	9.60% non-convertible debentures (2015)	-	73.83
-	INR	-	9.62% non-convertible debentures (2015)	-	14.76
-	INR	-	9.62% non-convertible debentures (2015)	-	9.92
-	INR	-	9.90% non-convertible debentures (2015)	-	24.70
-	INR	-	9.75% non-convertible debentures (2015)	-	4.93
-	INR	-	9.75% non-convertible debentures (2016)	-	19.85
			Panatone Finvest Limited		
-	INR	-	9.50% non-convertible debentures (2016)	-	200.00
			Power Finance Corporation Limited		
-	INR	-	9.46% Bonds (2015)	-	24.45
			State Bank of India		
-	INR	-	9.05% Bonds (2020)	-	33.40
			Tata Capital Housing Finance Limited		
-	INR	-	10.05% non-convertible debentures (2017)	-	25.00
			Tata Chemicals Limited		
-	INR	-	10.00% non-convertible debentures (2019)	-	25.00
			Tata Housing Development Company Limited		
-	INR	-	10.20% non-convertible debentures (2017)	-	66.98

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13) NON - CURRENT INVESTMENTS (contd.)

In Numbers	Currency	Face value per share		(₹ in crores)	
				As at March 31, 2015	As at March 31, 2014
			Tata Motors Limited		
-	INR	-	9.05% non-convertible debentures (2015)	-	96.84
-	INR	-	9.15% non-convertible debentures (2015)	-	43.67
-	INR	-	9.22% non-convertible debentures (2015)	-	24.10
-	INR	-	9.69% non-convertible debentures (2019)	-	75.00
-	INR	-	10.00% non-convertible debentures (2019)	-	125.00
			Tata Sons Limited		
-	INR	-	8.80% non-convertible debentures (2015)	-	53.48
-	INR	-	9.98% non-convertible debentures (2015)	-	144.78
-	INR	-	9.30% non-convertible debentures (2015)	-	4.89
-	INR	-	9.67% non-convertible debentures (2015)	-	58.95
-	INR	-	9.78% non-convertible debentures (2015)	-	172.80
-	INR	-	9.75% non-convertible debentures (2016)	-	7.00
-	INR	-	9.68% non-convertible debentures (2017)	-	127.12
-	INR	-	9.85% non-convertible debentures (2017)	-	19.76
-	INR	-	9.87% non-convertible debentures (2017)	-	86.61
-	INR	-	9.87% non-convertible debentures (2017)	-	114.44
-	INR	-	8.85% non-convertible debentures (2018)	-	47.35
-	INR	-	8.97% non-convertible debentures (2020)	-	50.00
-	INR	-	9.10% non-convertible debentures (2020)	-	15.00
			ALMC HF		
69	EUR	297	0 % Bonds (2014)	0.12	0.12
				2653.85	5106.84
			Provision for diminution in value of investments	(2.62)	(8.29)
				2651.23	5098.55
			Book value of quoted investments	379.89	379.89
			Book value of unquoted investments (net of provision)	2271.34	4718.66
			Market value of quoted investments	2974.41	2151.32

* Non-current investments having a value of less than ₹ 50,000.

The Company has given an undertaking to the investors of KOOH Sports Private Limited not to transfer its shareholding prior to the expiry of thirty-six months from the completion date of the investment agreement except with the prior written consent of the other parties to the agreement. The restriction is valid as on March 31, 2015.

The Company has given letter of comfort to various banks for credit facilities availed by its subsidiaries (a) Tata America International Corporation, (b) Tata Consultancy Services Switzerland Limited, (c) Tata Consultancy Services Sverige AB, (d) Tata Consultancy Services Belgium S.A., (e) Tata Consultancy Services Deutschland GmbH, (f) Tata Consultancy Services De Mexico S.A. De CV, (g) Tata Consultancy Services Netherlands B V (h) Tata Consultancy Services Asia Pacific Pte Ltd, and (i) Tata Consultancy Services Qatar S.S.C. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiaries and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiary.

On July 1, 2014, the Company through its wholly owned subsidiary Tata Consultancy Services Asia Pacific Pte Ltd., acquired a controlling interest (51%) in IT Frontier Corporation (referred to as ITF) from Mitsubishi Corporation in Japan in exchange for a total purchase consideration of USD 57.90 million (₹ 347.54 crores) consisting of a transfer of 49% ownership interest in Tata Consultancy Services Japan Ltd. to Mitsubishi Corporation and a cash consideration of USD 48.10 million (₹ 288.88 crores).

On August 7, 2014, Tata Consultancy Services Morocco SARL AU, a wholly owned subsidiary, has been voluntarily liquidated.

On February 18, 2015, Computational Research Laboratories Inc., a wholly owned subsidiary, has been voluntarily liquidated.

TATA CONSULTANCY SERVICES LIMITED
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On September 16, 2014, the Company acquired additional 40% ownership interest in Tata Consultancy Services (Africa) (Pty) Ltd, for a purchase consideration of ₹ 60.83 crores (USD 10 million) from Tata Africa Holdings (SA) Proprietary Limited and thereby making it a wholly owned subsidiary of the Company.

On March 23, 2015, TCS Management Pty Ltd., a wholly owned subsidiary of TCS FNS Pty Limited, has been voluntarily liquidated.

On March 8, 2015 the Company subscribed to 100% Share Capital of TCS Foundation, a not for profit initiative registered under Section 8 of the Companies Act, 2013 with a paid-up capital of Rs. 1 crore. This company aims at promoting projects and/or programmes relating to Corporate Social Responsibility activities of TCS Limited.

14) LONG - TERM LOANS AND ADVANCES

Long - term loans and advances (unsecured) consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Considered good		
(i) Capital advances	201.90	351.99
(ii) Security deposits	538.00	548.23
(iii) Loans and advances to employees	8.88	7.04
(iv) Loans and advances to related parties	21.98	138.41
(v) Advance tax (including refunds receivable (net))	3884.22	2913.02
(vi) MAT Credit entitlement	1801.78	1810.61
(vii) Other loans and advances	1995.79	1106.24
(b) Considered doubtful		
(i) Security Deposits	0.15	0.15
(ii) Loans and advances to related parties	-	19.37
Less : Provision for doubtful loans and advances	(0.15)	(19.52)
	8452.55	6875.54

Loans and advances to related parties, considered good, comprise:

Tata Sons Limited	2.74	2.74
TCS FNS Pty Limited	6.18	10.02
CMC Limited	12.67	0.26
Tata Realty and Infrastructure Limited	0.39	45.39
Tata Capital Financial Services Limited	-	80.00

Other loans and advances comprise:

Indirect tax recoverable	48.89	54.76
Inter - corporate deposits	1572.00	858.00
Prepaid expenses	354.18	189.68
Other amounts recoverable in cash or kind for value to be received	20.72	3.80

Loans and advances to related parties, considered doubtful, comprise:

Tata Consultancy Services Morocco SARL AU	-	19.37
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15) OTHER NON-CURRENT ASSETS

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Interest receivable	24.33	34.52
(b) Long - term bank deposits	500.00	1477.00
(c) Earmarked balances with banks	0.35	25.00
(d) Others	-	8.47
	524.68	1544.99

16) CURRENT INVESTMENTS

				(₹ crores)	
				As at	As at
In Numbers	Currency	Face value per share		March 31, 2015	March 31, 2014
			(i) Mutual and other funds (unquoted)		
60,00,000	INR	10	HDFC Debt Fund for Cancer Cure - 50% Dividend Donation Option	6.00	6.00
42,98,238	INR	100	Birla Sun Life Cash Plus - Growth-Direct Plan	96.47	-
2,60,751	INR	1000	L&T Liquid Fund Direct Plan - Growth	50.00	-
11,42,663	INR	1000	Tata Liquid Fund Direct Plan - Growth	295.00	-
13,61,292	INR	10	Tata Money Market Fund Direct Plan	300.00	-
			(ii) Bonds and Debentures (unquoted)		
			Housing Development Finance Corporation Limited		
-	INR	-	9.20% Bonds (2015)	-	34.83
			Housing Urban Development Corporation Limited		
-	INR	-	10.00% non-convertible debentures (2014)	-	1.50
			Infrastructure Development Finance Company Limited		
-	INR	-	9.20% non-convertible debentures (2015)	-	49.20
-	INR	-	9.36% non-convertible debentures (2015)	-	73.42
			LIC Housing Finance Limited		
-	INR	-	9.80% non-convertible debentures (2015)	-	19.84
			National Housing Bank		
-	INR	-	9.37% Bonds (2015)	-	39.15
			Power Finance Corporation Limited		
-	INR	-	8.60% non-convertible debentures (2014)	-	34.26
-	INR	-	8.85% non-convertible debentures (2014)	-	68.15
-	INR	-	9.63% Bonds (2014)	-	98.19
-	INR	-	9.55% Bonds (2015)	-	49.03
			Rural Electrification Corporation		
-	INR	-	8.84% Bonds (2014)	-	19.45
			Tata Motors Limited		
-	INR	-	9.85% non-convertible debentures (2015)	-	39.43
			Tata Sons Limited		
-	INR	-	10.25% non-convertible debentures (2014)	-	25.00
-	INR	-	9.78% non-convertible debentures (2015)	-	164.13
			Pre-acquisition interest	-	12.29
				747.47	733.87

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

17) INVENTORIES

Inventories consist of the following:

		(₹ crores)	
		As at	As at
		March 31, 2015	March 31, 2014
(a)	Raw materials, sub-assemblies and components	10.07	7.23
(b)	Finished goods and Work-in-progress	0.46	0.61
(c)	Goods-in-transit (raw materials)	1.81	0.73
		<u>12.34</u>	<u>8.57</u>

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

18) UNBILLED REVENUE

Unbilled revenue as at March 31, 2015 amounting to ₹ 2439.36 crores (March 31, 2014: ₹ 2626.08 crores) primarily comprises of the revenue recognised in relation to efforts incurred on turnkey contracts priced on a fixed time, fixed price basis of ₹ 1762.13 crores (March 31, 2014: ₹ 1987.30 crores).

19) TRADE RECEIVABLES

Trade receivables (Unsecured) consist of the following:

		(₹ crores)	
		As at	As at
		March 31, 2015	March 31, 2014
(a)	Over six months from the date they were due for payment		
	(i) Considered good	1825.69	1658.48
	(ii) Considered doubtful	322.17	224.68
(b)	Others		
	(i) Considered good	15211.07	12813.41
	(ii) Considered doubtful	22.93	-
		<u>17381.86</u>	<u>14696.57</u>
Less: Provision for doubtful receivables		<u>(345.10)</u>	<u>(224.68)</u>
		<u>17036.76</u>	<u>14471.89</u>

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

20) CASH AND BANK BALANCES

Cash and bank balances consist of the following:

	(₹ crores)	
	As at	As at
	March 31, 2015	March 31, 2014
(a) Cash and cash equivalents		
(i) Balances with banks		
In current accounts	303.90	264.69
In deposit accounts with original maturity less than 3 months	77.64	141.85
(ii) Cheques on hand	46.49	14.81
(iii) Cash on hand	0.50	1.00
(iv) Remittances in transit	1.25	16.02
	429.78	438.37
(b) Other Bank balances		
(i) Earmarked balances with banks	69.97	14.99
(ii) Short - term bank deposits	16002.75	12112.90
	16502.50	12566.26

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21) SHORT - TERM LOANS AND ADVANCES

Short – term loans and advances (Unsecured) consist of the following:

	(₹ crores)	
	As at	As at
	March 31, 2015	March 31, 2014
(a) Considered good		
(i) Loans and advances to employees	272.59	260.20
(ii) Loans and advances to related parties	12.32	348.71
(iii) Other loans and advances	3067.27	3079.21
(b) Considered doubtful		
(i) Loans and advances to employees	49.13	42.28
(ii) Other loans and advances	9.23	9.96
Less : Provision for doubtful loans and advances	(58.36)	(52.24)
	3352.18	3688.12

Loans and advances to related parties, considered good, comprise:

TCS FNS Pty Limited	5.10	39.46
Tata Realty and Infrastructure Limited	-	50.00
CMC America Inc.	-	0.01
Tata Consultancy Services Asia Pacific Pte Ltd.	-	1.02
CMC Limited	0.73	0.68
Tata AIG General Insurance Company Limited	0.01	0.02
Tata Capital Financial Services Limited	-	200.00
Infiniti Retail Limited	-	0.04
Tata Housing Development Company Limited	-	50.00
TCS e-Serve International Limited	0.40	-
Tata Consultancy Services (Africa) (Pty) Limited	0.55	-
C-Edge Technologies Limited	5.49	7.48
Tata America International Corporation	0.03	-
APOnline Limited	0.01	-

Other loans and advances, considered good, comprise:

Security deposits	104.17	63.07
Inter - corporate deposits	1063.00	1500.00
Indirect tax recoverable	157.82	183.88
Advance to suppliers	59.76	56.40
Fair value of foreign exchange forward and currency option contracts	365.38	346.34
Prepaid expenses	1143.00	888.62
Other amounts recoverable in cash or kind for value to be received	174.14	40.90

Other loans and advances, considered doubtful, comprise:

Security deposits	2.60	3.11
Indirect tax recoverable	1.74	-
Advance to suppliers	2.89	3.89
Other amounts recoverable in cash or kind for value to be received	2.00	2.96

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

22) OTHER CURRENT ASSETS

Other current assets consist of the following:

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
(a) Interest receivable	339.53	715.61
(b) Dividend receivable	-	19.25
(c) Others	-	5.16
	<u>339.53</u>	<u>740.02</u>

Others include discount on bonds and debentures receivable on maturity.

23) REVENUE FROM OPERATIONS

Revenue from operations consist of revenues from:

	(₹ crores)	
	2015	2014
(a) Information technology and consultancy services	72160.74	63332.83
(b) Sale of equipment and software licenses	1417.32	1340.10
	<u>73578.06</u>	<u>64672.93</u>

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24) OTHER INCOME (NET)

Other income (net) consist of the following:

	(₹ crores)	
	2015	2014
(a) Interest income	1554.93	1280.07
(b) Dividend income	1335.13	1610.95
(c) Profit on redemption of mutual funds and sale of other investments (net)	225.99	162.77
(d) Rent	2.85	4.70
(e) Profit on sale of fixed assets (net)	2.94	2.01
(f) Exchange gain (net)	1278.63	5.00
(g) Miscellaneous income	66.26	49.21
	4466.73	3114.71

Interest income comprise:

Interest on bank deposits	1165.11	676.84
Interest on inter - corporate deposits	264.14	330.50
Interest on long - term bonds and debentures	120.32	254.05
Interest on loan given to subsidiary	1.12	2.48
Other interest	4.24	16.20

Dividend income comprise:

Dividends from subsidiaries (non-current trade investments)	1334.65	1610.60
Dividends from mutual funds (current investments)	0.48	0.35

Profit on redemption of mutual funds and sale of other investments (net) comprise :

From non-current investments (net)	24.78	0.36
From current investments (net)	201.21	162.41

Exchange gain (net) include:

Gain / (Loss) on foreign exchange forward and currency option contracts which have been designated as Cash Flow Hedges. (Refer Note 38)	344.60	(749.49)
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25) EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

	(₹ crores)	
	2015	2014
(a) Salaries and incentives	24441.85	19039.28
(b) Contributions to -		
(i) Provident fund (Refer Note 30)	571.65	514.91
(ii) Superannuation scheme	163.47	136.29
(iii) Gratuity fund (Refer Note 30)	301.42	130.02
(iv) Social security and other plans for overseas employees	501.25	382.66
(c) Staff welfare expenses	1388.68	1263.40
	27368.32	21466.56

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26) OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

	(₹ crores)	
	2015	2014
(a) Overseas business expenses	11817.63	10149.37
(b) Services rendered by business associates and others	5046.61	4398.42
(c) Software, hardware and material costs	2932.16	2442.64
(d) Communication expenses	641.50	529.48
(e) Travelling and conveyance expenses	812.94	671.40
(f) Rent	1072.70	1044.05
(g) Legal and professional fees	333.54	277.84
(h) Repairs and maintenance	491.18	404.36
(i) Electricity expenses	493.36	463.25
(j) Bad debts written off (net)	5.69	2.37
(k) Provision for doubtful receivables (net)	124.56	68.26
(l) Provision for doubtful advances (net)	(13.10)	8.78
(m) Advances written off / (written back) (net)	19.50	(0.12)
(n) Recruitment and training expenses	235.10	205.06
(o) Diminution in value of long-term investments	2.50	-
(p) Printing and stationery	39.75	40.91
(q) Insurance	22.33	22.32
(r) Rates and taxes	95.59	79.05
(s) Entertainment	44.97	40.04
(t) Other expenses (Refer Note 35)	963.03	825.17
	<u>25181.54</u>	<u>21672.65</u>
(i) Overseas business expenses comprise:		
Travel expenses	930.73	833.09
Employee allowances	10886.90	9316.28
(ii) Repairs and maintenance comprise:		
Buildings	227.72	207.17
Office and computer equipment	263.46	197.19
(iii) Software, hardware and material costs include:		
Material costs		
(a) Raw materials, sub-assemblies and components consumed	64.62	39.77
(b) Opening stock:		
Finished goods and work-in-progress	0.61	0.54
(c) Less: Closing stock:		
Finished goods and work-in-progress	0.46	0.61
	<u>0.15</u>	<u>(0.07)</u>
	<u>64.77</u>	<u>39.70</u>
(iv) Other expenses include:		
(a) Stores and spare parts consumed	0.06	0.02
(b) Donation to Electoral Trust	1.49	-

27) FINANCE COSTS

Finance costs consist of the following:

	(₹ crores)	
	2015	2014
Interest expense	79.57	23.41
	<u>79.57</u>	<u>23.41</u>

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 28) Current tax includes additional provision (net) of ₹ 61.33 crores (March 31, 2014 : additional provision (net) ₹ 467.62 crores) in domestic and certain overseas jurisdictions relating to earlier years. The impact of MAT entitlement of earlier period is ₹ 8.83 crores (March 31, 2014 : ₹ 451.92 crores).

29) AMALGAMATION OF COMPANIES

a) Nature of business

WTI Advanced Technology Limited is engaged in the business of Information Technology (IT) and Information Technology Engineering Services (ITES). The Company holds 100.00% of the voting power of WTI Advanced Technology Limited.

- b) WTI Advances Technology Limited has been amalgamated with the Company with effect from April 1, 2014 in terms of the composite scheme of amalgamation (Scheme) sanctioned by the High Court of Judicature at Bombay vide their Order dated March 27, 2015. The Scheme came into effect on April 1, 2015 and pursuant thereto all assets, unbilled revenue, debts, outstandings, credits, liabilities, benefits under income tax, service tax, excise, value added tax, sales tax (including deferment of sales tax), benefits for and under Software Technology Parks of India (STPI), duties and obligations of the WTI Advanced Technology Limited, have been transferred to and vested in the Company retrospectively with effect from April 1, 2014.

Since WTI Advanced Technology Limited, amalgamated as aforesaid, was wholly owned by the Company, no shares were exchanged to effect the amalgamation.

- c) The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard (AS-14) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the assets, liabilities and reserves of WTI Advanced Technology Limited as at April 1, 2014 have been taken over at their book values and in the same form.

The difference between the amounts recorded as investments of the Company and the amount of Share Capital of the WTI Advanced Technology Limited has been adjusted in the General Reserve.

Accordingly, the amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the Scheme at the following summarized values:

Particulars	Amalgamation of WTI Advanced Technologies Limited
Appointed date of amalgamation	April 1, 2014
Assets	
Fixed Assets (Net)	1.27
Trade receivables	18.26
Cash and bank balances	41.59
Investments	7.75
Loans and advances and other assets	9.83
Less: Liabilities	
Trade payables, other liabilities and provisions	1.86
Total net assets acquired	76.84
Less:	
Adjustment for cancellation of Company's investment in WTI Advanced Technology Limited	38.52
Less: Transfer of Capital subsidy reserve of WTI Advanced Technology Limited	0.34
Less: Transfer of Capital redemption reserve of WTI Advanced Technology Limited	0.40
Less: Transfer of balances of Surplus in Statement of Profit and Loss account of WTI Advanced Technology Limited	71.78
Balance transferred to general reserve as at appointed date	(34.20)

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30) RETIREMENT BENEFIT PLANS

(a) Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises, if any, as an expense in the year it is determined.

As of March 31, 2015, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 7939.41 crores and ₹ 7419.41 crores respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.75%. The actuarial assumptions include discount rate of 8.00% and an average expected future period of 7.35 years.

The Company recognised ₹ 571.65 crores (March 31, 2014: ₹ 514.91 crores) for provident fund contributions and ₹ 163.47 crores (March 31, 2014: ₹ 136.29 crores) for superannuation contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company has contributed ₹ 267.63 crores (March 31, 2014: ₹ 212.60 crores) towards foreign defined contribution plans.

(b) Defined benefit plans

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for eligible employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for service less than 15 years, three-fourth month's salary for service of 15 years to 19 years and one month salary for service of 20 years and more, payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

The following table sets out funded status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2015.

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
i) Change in benefit obligations:		
Project benefit obligation, beginning of the year	987.22	830.16
Service cost	163.69	151.72
Interest cost	95.87	68.46
Liabilities transferred on amalgamation	0.47	21.58
Actuarial loss / (gain)	131.41	(21.14)
Benefits paid	(114.54)	(67.48)
Past service cost	0.20	3.92
Projected benefit obligation, end of the year	1264.32	987.22

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30) RETIREMENT BENEFIT PLANS (Contd.)

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
ii) Change in plan assets:		
Fair value of plan assets, beginning of the year	849.52	593.50
Expected return on plan assets	83.79	51.04
Employers' contributions	616.53	227.88
Assets transferred on amalgamation	0.65	22.68
Benefits paid	(114.54)	(67.48)
Actuarial gain	5.96	21.90
Fair value of plan assets, end of the year	1441.91	849.52
Excess / (deficit) of plan assets over obligations	177.59	(137.70)
Accrued asset / (liability)	177.59	(137.70)

	(₹ crores)	
	2015	2014
iii) Net gratuity and other cost:		
Service cost	163.69	151.72
Interest on defined benefit obligation	95.87	68.46
Expected return on plan assets	(83.79)	(51.04)
Net Actuarial losses / (gains) recognised in the year	125.45	(43.04)
Past service cost	0.20	3.92
Net gratuity and other cost	301.42	130.02
Actual return on plan assets	89.75	72.94

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
iv) Category of assets:		
Corporate Bonds	174.55	-
Insurer managed funds	737.67	849.49
Government Securities	201.07	-
State Government Securities	64.48	-
Bank balance	217.33	-
Others	46.81	0.04
Total	1441.91	849.53

	As at March 31, 2015	As at March 31, 2014
v) Assumptions used in accounting for gratuity plan:		
	%	%
Discount rate	8.00	9.00
Salary escalation rate	6.00	6.00
Expected rate of return on plan assets	8.00	9.00

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The estimate of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risk of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

	(₹ crores)				
	2015	2014	2013	2012	2011
Experience adjustment					
On plan liabilities	32.06	(56.09)	(18.10)	43.75	35.00
On plan assets	5.96	21.90	4.00	6.63	5.67
Present value of benefit obligation	1264.32	987.22	830.16	679.25	552.80
Fair value of plan assets	1441.91	849.52	593.50	542.04	494.42
Excess / (deficit) of plan assets over obligations	177.59	(137.70)	(236.66)	(137.21)	(58.38)

The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as at March 31, 2015. The Company is expected to contribute ₹ 8.49 crores for the year ended March 31, 2016.

31) SEGMENT REPORTING

The Company has identified business segments (industry practice) as its primary segment and geographic segments as its secondary segment.

Business segments are primarily financial services comprising customers providing banking, finance and insurance services, manufacturing companies, companies in retail and consumer packaged goods industries, companies in telecommunication, media and entertainment and others such as energy, resources and utilities, Hi-tech industry practice, life science and healthcare, s-Governance, travel, transportation and hospitality, products, etc.

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to specific segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are Americas (including Canada and South American countries), Europe, India and Others.

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Year ended March 31, 2015

Particulars	Business Segments					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	Total
Revenue	28871.39	6514.53	10876.56	9217.83	18097.75	73578.06
	26574.48	5675.56	9705.09	8070.53	14647.27	64672.93
Segment result	8801.09	1821.43	2863.46	2490.17	5054.55	21030.70
	9708.21	1798.36	3258.34	2440.33	4328.48	21533.72
Unallocable expenses (net)						1475.84
						1103.96
Operating income						19554.86
						20429.76
Other income (net)						4466.73
						3114.71
Profit before Exceptional item and tax						24021.59
						23544.47
Exceptional item						528.38
						-
Profit before tax						24549.97
						23544.47
Tax expense						5293.01
						5069.55
Net profit for the year						19256.96
						18474.92

TATA CONSULTANCY SERVICES LIMITED
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As at March 31, 2015

(₹ crores)

Particulars	Business Segments					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Packaged Goods	Telecom, Media and Entertainment	Others	Total
Segment assets	6164.34	1809.16	2620.90	2947.68	6509.17	20051.25
	<i>5534.01</i>	<i>1518.29</i>	<i>2366.27</i>	<i>2729.88</i>	<i>5653.86</i>	<i>17802.31</i>
Unallocable assets						43014.05
						<i>39801.88</i>
Total assets						63065.30
						<i>57604.19</i>
Segment liabilities	1774.71	290.22	472.25	490.29	1049.27	4076.74
	<i>774.45</i>	<i>135.37</i>	<i>114.71</i>	<i>145.11</i>	<i>505.71</i>	<i>1675.35</i>
Unallocable liabilities						13572.12
						<i>11876.96</i>
Total liabilities						17648.86
						<i>13552.31</i>

Year ended March 31, 2015

Other Information

Capital Expenditure (unallocable)						2599.67
						<i>3594.50</i>
						865.39
Depreciation and amortisation (unallocable)						<i>1080.55</i>
Other significant non cash expense (allocable)	19.34	6.46	47.08	1.08	62.69	136.65
	<i>9.67</i>	<i>2.90</i>	<i>1.96</i>	<i>27.12</i>	<i>37.64</i>	<i>79.29</i>
Other significant non cash expense (net) (unallocable)						2.50
						-

The following geographic segments individually contribute 10 percent or more of the Company's revenues and segment assets:

Geographic Segments	(₹ crores)	
	Revenues for the year ended March 31, 2015	Segment Assets as at March 31, 2015
Americas	41969.70	9331.78
	<i>37315.21</i>	<i>7210.97</i>
Europe	19965.38	5931.83
	<i>17159.39</i>	<i>5856.30</i>
India	4875.99	4202.63
	<i>4420.91</i>	<i>4062.84</i>

Previous year's figures are in italics.

TATA CONSULTANCY SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32) OBLIGATIONS TOWARDS OPERATING LEASES

	(₹ crores)	
	As at	As at
	March 31, 2015	March 31, 2014
Non-cancellable operating lease obligation		
Not later than one year	511.72	528.77
Later than one year but not later than five years	1590.64	1325.51
Later than five years	1474.45	1214.37
Total	3576.81	3068.65

Rent expense of ₹ 550.93 crores (Previous year: ₹ 507.83 crores) in respect of obligation under non-cancellable operating leases and ₹ 521.77 crores (Previous year ₹ 536.22 crores) in respect of cancellable operating leases have been charged to the statement of profit and loss.

33) OBLIGATIONS TOWARDS FINANCE LEASES

	(₹ crores)	
	As at	As at
	March 31, 2015	March 31, 2014
Assets acquired under finance lease		
(i) Minimum lease payments:		
Not later than one year	33.08	38.24
Later than one year but not later than five years	59.27	83.39
Later than five years	44.35	55.80
Total	136.70	177.43
(ii) Present value of minimum lease payments:		
Not later than one year	22.11	25.32
Later than one year but not later than five years	30.92	49.67
Later than five years	33.21	38.97
	86.24	113.96
Add : Future finance charges	50.46	63.47
Total	136.70	177.43

34) EARNINGS PER EQUITY SHARE (EPS)

	2015	2014
Net profit for the year	21091.43	18474.92
Less : Preference share dividend (including dividend tax)	-	33.65
Amount available for equity shareholders	21091.43	18441.27
Weighted average number of shares	195,87,27,979	195,87,27,979
Earning per share basic and diluted (₹)	107.68	94.15
Face value per Equity share (₹)	1.00	1.00

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35) AUDITORS REMUNERATION

	(₹ crores)	
	2015	2014
For services as auditors, including quarterly audits	3.75	3.75
For Tax audit	0.53	0.53
For Other services	4.67	3.95
Reimbursement of out-of-pocket expenses	0.16	0.13
For service tax	1.13	1.03

Service tax credit has been/will be availed.

In addition to the above, fees amounting to ₹ 1.97 crores (Previous year: ₹ 2.24 crores) for attest and other professional services rendered have been paid to firms of chartered accountants in which some of the partners are also partners in the firm of

36) CONTINGENT LIABILITIES

	(₹ crores)	
	As at March 31, 2015	As at March 31, 2014
Claims against the Company not acknowledged as debts	40.72	29.57
Income Tax demands (See (a) below)	3901.82	3890.20
Indirect Tax demands (See (b) below)	61.01	63.27
Guarantees given by the Company on behalf of subsidiaries (See (c) and (d) below)	3310.95	4082.31

- a) In respect of income tax demands of ₹ 318.20 crores (March 31, 2014: ₹ 318.20 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited, which has been amalgamated with the Company effective April 1, 2013.
- b) In respect of indirect tax demands of ₹ 8.53 crores (March 31, 2014: ₹ 8.53 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited, which has been amalgamated with the Company effective April 1, 2013.
- c) The Company has provided guarantees aggregating to ₹ 2694.55 crores (GBP 291.30 million) (March 31, 2014: ₹ 3167.02 crores) (GBP 317.20 million) to third parties on behalf of its subsidiary Diligenta Limited. The Company does not expect any outflow of resources in respect of the above.
- d) The Company has provided guarantees aggregating to ₹ 87.42 crores (USD 13.97 million) (March 31, 2014: ₹ 83.91 crores) (USD 13.97 million) to third parties on behalf of its subsidiary Tata America Corporation Limited. The Company does not expect any outflow of resources in respect of the above.

37) CAPITAL AND OTHER COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1844.08 crores (March 31, 2014: ₹ 2811.44 crores).
- b) The Company has a purchase commitment towards India Innovation Fund for the uncalled amount of balance ₹ 29618.47 per unit of 1000 units aggregating to ₹ 2.96 crores (March 31, 2014: ₹ 3.64 crores).

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38) DERIVATIVE FINANCIAL INSTRUMENTS

The Company, in accordance with its risk management policies and procedures, enters into foreign exchange forward, options and future contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. These contracts are for a period between one day and eight years.

The Company has outstanding foreign currency option contracts, which have been designated as Cash Flow Hedges, as at:

March 31, 2015				March 31, 2014		
Foreign Currency	No. of Contracts	Notional amount of Currency Options contracts (million)	Fair Value (₹ crores)	No. of Contracts	Notional amount of Currency Options contracts (million)	Fair Value (₹ crores)
U.S. Dollar	-	-	-	4	410.00	21.36
Sterling Pound	18	297.00	67.05	6	177.00	18.23
Euro	9	171.00	87.78	3	120.00	19.87
Australian dollar	6	97.00	31.15	3	75.00	2.71

The movement in Hedging Reserve during the year ended March 31, 2015, and the year ended March 31, 2014 for derivatives designated as Cash Flow Hedges is as follows:

	(₹ crores)			
	Year ended March 31, 2015		Year ended March 31, 2014	
	Intrinsic Value	Time Value	Intrinsic Value	Time Value
Balance at the beginning of the year	24.88	4.76	55.49	-
Transferred on amalgamation	-	-	(8.33)	-
Changes in the fair value of effective portion of Cash Flow Hedges	905.89	(440.18)	(619.65)	(140.11)
(Gains)/Losses transferred to the statement of profit and loss on occurrence of forecasted hedge transaction	(779.35)	434.75	597.37	144.87
Balance at the end of the year	151.42	(0.67)	24.88	4.76

Net gain on derivative instruments of ₹ 150.75 crores recognised in Hedging Reserve as at March 31, 2015, is expected to be reclassified to the statement of profit and loss by March 31, 2016.

In addition to the above Cash Flow Hedges, the Company has outstanding foreign exchange forward, options and future contracts with notional amount aggregating ₹ 19949.03 crores (March 31, 2014: ₹ 15774.90 crores) whose fair value showed a gain of ₹ 159.65 crores as on March 31, 2015 (March 31, 2014: gain of ₹ 261.23 crores). Exchange gain of ₹ 1363.87 crores (March 31, 2014 : Exchange loss of ₹ 66.60 crores) on foreign exchange forward, options and future contracts for the year ended March 31, 2015 have been recognised in the statement of profit and loss in respect of these hedges.

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39) MICRO AND SMALL ENTERPRISES

	(₹ crores)			
	As at March 31, 2015		As at March 31, 2014	
	Principal	Interest	Principal	Interest
Amount due to vendor	7.74	0.02	9.79	0.04
Principal amount paid (includes unpaid) beyond the appointed date	247.61	-	138.71	-
Interest due and payable for the year	-	0.75	-	0.44
Interest accrued and remaining unpaid (includes interest disallowable of ₹ 2.16 crores (Previous year: ₹ 1.41 crore))	-	2.16	-	1.41

Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

40) INCOME IN FOREIGN CURRENCY

	(₹ crores)	
	2015	2014
(a) Consultancy services	70211.12	60373.81
(b) FOB value of exports of equipment and licenses	469.58	261.15
(c) Interest income	5.41	6.76
(d) Dividend income	1090.29	1582.38
(e) Other income (net)	41.92	36.74

41) EXPENDITURE IN FOREIGN CURRENCY

	(₹ crores)	
	2015	2014
(a) Royalty	1.85	2.57
(b) Legal and professional fees	189.27	181.32
(c) Interest	9.27	1.47
(d) Overseas employee costs	5193.50	3713.91
(e) Overseas business expenses	11636.80	9670.58
(f) Services rendered by business associates and others	4682.61	3940.66
(g) Software, hardware and material cost	1002.32	753.32
(h) Communication expenses	317.87	239.96
(i) Travelling and conveyance expenses	258.43	192.01
(j) Other operating expenses	678.26	882.55
(k) Foreign taxes	775.38	697.05

42) VALUE OF IMPORTS CALCULATED ON CIF BASIS

	(₹ crores)	
	2015	2014
Raw materials, sub-assemblies and components	47.37	32.96
Capital goods	523.21	589.60
Stores and spare parts	0.03	-

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43) VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SUB-ASSEMBLIES AND COMPONENTS, STORES AND SPARE PARTS CONSUMED

	2015		2014	
	(₹ crores)	%	(₹ crores)	%
Raw materials, sub-assemblies and components				
Imported:	46.08	71.31	31.40	78.96
Indigenous:	18.54	28.69	8.37	21.04
	64.62	100.00	39.77	100.00
Stores and spare parts				
Imported:	0.03	50.00	-	-
Indigenous:	0.03	50.00	0.02	100.00
	0.06	100.00	0.02	100.00

Consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc.

44) REMITTANCE IN FOREIGN CURRENCIES FOR DIVIDENDS

The Company has remitted ₹ Nil (March 31, 2014: ₹ Nil) in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittance, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The particulars of dividends declared and paid to non-resident shareholders for the year ended March 31, 2014 and interim dividends for the year ended March 31, 2015, are as under:

	Number of non-resident shareholders	Number of equity shares held	Gross amount of dividend	
			(₹ crores)	
			2015	2014
Final dividend for 2012-13 declared in June 2013	10062	31,07,28,113	-	403.95
Interim dividend declared in July 2013	9970	31,38,30,865	-	125.53
Interim dividend declared in October 2013	10009	31,98,81,202	-	127.95
Interim dividend declared in January 2014	10276	32,24,19,506	-	128.97
Final dividend for 2013-14 declared in June 2014	10690	32,47,83,907	649.57	-
Interim dividend declared in July 2014	10605	32,79,02,995	1475.56	-
Interim dividend declared in October 2014	11497	32,96,36,378	164.82	-
Interim dividend declared in January 2015	11970	33,23,64,092	166.18	-

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45) DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT

Amount of loans and advances in nature of loans outstanding from subsidiaries as at March 31, 2015:

Subsidiary Company	(₹ crores)	
	Outstanding as at March 31, 2015	Maximum amount outstanding during the year
TCS FNS Pty Limited *	6.18	45.53
	45.32	53.52
Tata Consultancy Services Morocco SARL AU	-	5.51
	5.47	7.72

* TCS FNS Pty Limited has made the following investments in its subsidiaries:

(a) TCS Financial Solutions Australia Holdings Pty Limited	No. of Shares 65,58,424
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Previous year's figures are in italics

- 46)** Research and development expenditure aggregating to ₹ 192.62 crores (Previous year: ₹ 176.31 crores), including capital expenditure was incurred during the year.
- 47)** The Company has revised its policy of providing depreciation on fixed assets effective April 1, 2014. Depreciation is now provided on a straight line basis for all assets as against the policy of providing on written down value basis on some assets and straight line basis on others. Further the remaining useful life has also been revised wherever appropriate based on an evaluation. The carrying amount as on April 1, 2014 is depreciated over the revised remaining useful life. As a result of these changes, the depreciation charge for the year ended March 31, 2015 is higher by ₹ 131.16 crores and the effect relating to the period prior to April 1, 2014 is a net credit of ₹ 528.38 crores (excluding deferred tax of ₹ 129.62 crores) which has been shown as an 'Exceptional Item' in the statement of profit and loss.
- 48)** At their respective meetings held on October 16, 2014, the Boards of the Company and of its subsidiary, CMC Limited have approved a Scheme of Amalgamation of CMC Limited with the Company. The appointed date for the proposed Scheme is April 1, 2015. The Scheme is subject to sanction of the Hon'ble High Courts and all other statutory approvals as may be required under law.
- 49)** During the year, an amount of ₹ 2326.42 crores has been recognised in the Statement of Profit and Loss in respect of one-time bonus to eligible employees.
- 50)** Previous years' figures have been recast / restated.