TATA CONSULTANCY SERVICES LIMITED

CONDENSED CONSOLIDATED BALANCE SHEET

(₹ crores)

	Note	As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
I. ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	10,212	9,971	8,641
(b) Capital work-in-progress		1,499	1,670	2,762
(c) Intangible assets	5	110	134	220
(d) Goodwill		1,684	1,669	1,572
(e) Financial assets				
(i) Investments	6(A)	325	343	253
(ii) Loans	7(A)	69	2,472	1,581
(iii) Other financial assets	8(A)	1,498	1,325	1,234
(f) Advance Income Tax asset		4,661	4,465	4,094
(g) Deferred tax assets (net)	9	2,882	2,908	2,633
(h) Other non-current assets	10(A)	879	926	1,075
Total Non-current assets		23,819	25,883	24,065
Current assets				
(a) Inventories	11	14	16	15
(b) Financial assets				
(i) Investments	6(B)	24,246	22,479	1,501
(ii) Trade receivables	12	24,741	24,073	20,440
(iii) Unbilled revenue		4,385	3,992	3,827
(iv) Cash and cash equivalents	13	2,842	6,295	1,862
(v) Other bank balances	14	57	493	16,696
(vi) Loans	7(B)	5,043	2,743	1,493
(vii) Other financial assets	8(B)	2,537	916	909
(c) Advance Income Tax asset		48	32	75
(d) Other current assets	10(B)	1,945	2,174	2,083
Total Current assets		65,858	63,213	48,901
TOTAL ASSETS		89,677	89,096	72,966
II. EQUITY AND LIABILITIES				
Equity				
(a) Share capital	15	197	197	197
(b) Other equity	16	70,972	70,875	55,856
Equity attributable to shareholders of TCS Limited		71,169	71,072	56,053
Non-controlling interests		347	355	223
TOTAL EQUITY		71,516	71,427	56,276
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	17(A)	63	83	115
(ii) Other financial liabilities	18(A)	475	493	662
(b) Employee benefit obligation		246	237	203
(c) Provisions	19(A)	42	40	94
(d) Deferred tax liabilities (net)	9	898	805	540
(e) Other non-current liabilities	20(A)	424	442	404
Total Non current liabilities		2,148	2,100	2,018
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17(B)	6	113	186
(ii) Trade and Other payables		6,711	7,541	8,832
(iii) Other financial liabilities	18(B)	1,396	2,364	1,245
(b) Income received in advance		1,436	1,359	1,062
(c) Current income tax liabilities(net)		1,398	805	546
(d) Employee benefit obligation		1,743	1,635	1,356
(e) Provisions	19(B)	127	115	103
(f) Other current liabilities	20(B)	3,196	1,637	1,342
Total Current liabilities		16,013	15,569	14,672
TOTAL EQUITY AND LIABILITIES		89,677	89,096	72,966

III. NOTES FORMING PART OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 1-29

As per our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

P. R. Ramesh
Partner

Mumbai, July 14, 2016

For and on behalf of the Board

N. Chandrasekaran
CEO and Managing Director

Aarthi Subramanian
Executive Director

Rajesh Gopinathan
Chief Financial Officer

Suprakash Mukhopadhyay
Company Secretary

TATA CONSULTANCY SERVICES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ crores)

		Note	For the quarter ended June 30, 2016	For the quarter ended June 30, 2015
I.	Revenue from operations		29,305	25,668
II.	Other income (net)	21	975	779
III.	**TOTAL REVENUE**		**30,280**	**26,447**
IV.	Expenses:			
	(a) Employee costs	22	15,374	13,291
	(b) Other operating expenses	23	6,094	5,176
	(c) Finance costs	24	12	7
	(d) Depreciation and amortisation expense		490	453
	TOTAL EXPENSES		**21,970**	**18,927**
V.	**PROFIT BEFORE TAX**		**8,310**	**7,520**
VI.	Tax expense:			
	(a) Current tax		1,924	1,796
	(b) Deferred tax		68	(49)
VII.	**PROFIT FOR THE PERIOD**		**6,318**	**5,773**
VIII.	**OTHER COMPREHENSIVE INCOME NET OF TAXES**			
(A)	**(i) Items that will be reclassified subsequently to profit and loss:**			
	(a)Net gains on financial assets other than equity shares carried at fair value through OCI		144	-
	(b)Net change in intrinsic value of derivatives designated as cash flow hedges		28	(131)
	(c)Net change in time value of cash flow of derivatives designated as cash flow hedges		49	(59)
	(d)Exchange differences on translation of financial statements of foreign operations		84	228
	(ii) Income tax on items that will be reclassified subsequently to profit and loss		(61)	25
(B)	**(i) Items that will not be reclassified subsequently to profit and loss**			
	(a)Net gains/(losses) on equity shares carried at fair value through OCI		(21)	-
	(b)Remeasurement of defined employee benefit plans		(29)	(11)
	(ii) Income tax on items that will not be reclassified subsequently to profit or loss		1	1
	TOTAL OTHER COMPREHENSIVE INCOME NET OF TAXES		**195**	**53**
IX.	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD**		**6,513**	**5,826**
	Profit for the period attributable to:			
	Shareholders of TCS Limited		6,317	5,747
	Non-controlling interests		1	26
			6,318	**5,773**
	Total comprehensive income for the period attributable to:			
	Shareholders of TCS Limited		6,497	5,763
	Non-controlling interests		16	63
			6,513	**5,826**
X.	**Earnings per equity share :- Basic and diluted (₹)**	25	32.06	29.17
	Weighted average number of equity shares (face value of ₹ 1 each)		197,04,27,941	197,04,27,941

XI. **NOTES FORMING PART OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 1-29**

As per our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

P. R. Ramesh
Partner

For and on behalf of the Board

N. Chandrasekaran
CEO and Managing Director

Aarthi Subramanian
Executive Director

Rajesh Gopinathan
Chief Financial Officer

Suprakash Mukhopadhyay
Company Secretary

Mumbai, July 14, 2016

TATA CONSULTANCY SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

Balance as of April 1, 2015	Changes in equity share capital during the period	Balance as of June 30, 2015
197		197

Balance as of April 1, 2016	Changes in equity share capital during the period	Balance as of June 30, 2016
197	-	197

B. OTHER EQUITY

(₹ crores)

	Reserves and surplus						Items of other comprehensive income						
								Hedging reserve					
	Capital reserve	Security premium	General reserve	Capital redemption reserve	Retained earnings	Statutory Reserve	Investment revaluation reserve	Intrinsic value	Time value	Foreign currency translation reserve	Equity attributable to shareholders of TCS Limited	Non-controlling interests	Total Equity
Balance as of April 1, 2015	**75**	**1,919**	**8,245**	**413**	**43,904**	**120**	**3**	**131**	**(1)**	**1,047**	**55,856**	**223**	**56,079**
Profit for the year	-	-	-	-	5,747	-	-	-	-	-	5,747	26	5,773
Other comprehensive income	-	-	-	-	(10)	-	-	(113)	(52)	191	16	37	53
Total comprehensive income	**75**	**1,919**	**8,245**	**413**	**49,641**	**120**	**3**	**18**	**(53)**	**1,238**	**61,619**	**286**	**61,905**
Dividend (including tax on dividend)	-	-	-	-	(5,682)	-	-	-	-	-	(5,682)	(1)	(5,683)
Transfer to Reserves(Refer Note 16)	-	-	28	110	(138)	-	-	-	-	-	-	-	-
Balance as of June 30, 2015	**75**	**1,919**	**8,273**	**523**	**43,821**	**120**	**3**	**18**	**(53)**	**1,238**	**55,937**	**285**	**56,222**

TATA CONSULTANCY SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY

(₹ crores)

	Reserves and surplus						Items of other comprehensive income						
								Hedging reserve					
	Capital reserve	Security premium	General reserve	Capital redemption reserve	Retained earnings	Statutory Reserve	Investment revaluation reserve	Intrinsic value	Time value	Foreign currency translation reserve	Equity attributable to shareholders of TCS Limited	Non-controlling interests	Total Equity
Balance as of April 1, 2016	75	1,919	10,549	523	56,116	185	53	68	(19)	1,406	70,875	355	71,230
Profit for the year	-	-	-	-	6,317	-	-	-	-	-	6,317	1	6,318
Other comprehensive income	-	-	-	-	(28)	-	73	24	42	69	180	15	195
Total comprehensive income	**75**	**1,919**	**10,549**	**523**	**62,405**	**185**	**126**	**92**	**23**	**1,475**	**77,372**	**371**	**77,743**
Dividend (including tax on dividend)	-	-	-	-	(6,400)	-	-	-	-	-	(6,400)	(24)	(6,424)
Balance as of June 30, 2016	**75**	**1,919**	**10,549**	**523**	**56,005**	**185**	**126**	**92**	**23**	**1,475**	**70,972**	**347**	**71,319**

TATA CONSULTANCY SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ crores)

		Note	For the quarter Jun 30, 2016	For the quarter Jun 30, 2015
I	**NET CASH FLOWS FROM OPERATING ACTIVITIES**		**5,640**	**2,902**
II	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Bank deposits placed		(1)	(20)
	Inter-corporate deposits placed		(567)	(129)
	Purchase of investments*		(22,353)	(15,389)
	Purchase of property, plant and equipment		(620)	(516)
	Proceeds from bank deposits		29	1,361
	Proceeds from inter-corporate deposits		511	877
	Proceeds from disposal of investments*		18,740	10,988
	Proceeds from disposal of property, plant and equipment		12	2
	Proceeds from restricted cash		400	145
	Dividend received		0	4
	Interest received		238	289
	Net cash used in investing activities		**(3,611)**	**(2,388)**
III	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Short-term borrowings (net)		(107)	58
	Dividend paid to non-controlling interest of subsidiaires		(24)	(1)
	Dividend paid		(5,320)	(41)
	Repayment of finance lease obligations		(26)	(24)
	Interest paid		(8)	(4)
	Net cash used in financing activities		**(5,485)**	**(12)**
	Net increase in cash and cash equivalents		(3,456)	502
	Cash and cash equivalents at the beginning of the year		6,295	1,862
	Exchange difference on translation of foreign currency cash and cash equivalents		3	81
	Cash and cash equivalents at the end of the year	12	**2,842**	**2,445**

*Purchase of investments include ₹ -crores (June 30, 2015: ₹ 99 crores) and disposal of investments include ₹ 4 crores (June 30, 2015: ₹ 4 crores of TCS Foundation, formed for conducting corporate social responsibility activities of the Group.

IV **NOTES FORMING PART OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 1-29**

As per our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

P. R. Ramesh
Partner

Mumbai, July 14, 2016

For and on behalf of the Board

N. Chandrasekaran
CEO and Managing Director

Aarthi Subramanian
Executive Director

Rajesh Gopinathan
Chief Financial Officer

Suprakash Mukhopadhyay
Company Secretary

1) CORPORATE INFORMATION

Tata Consultancy Services Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") provide consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of multiple locations around the globe. The Group'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.

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 of June 30, 2016, Tata Sons Limited, the holding company owned 73.34% of Tata Consultancy Services Limited's equity share capital.

The consolidated financials statements were approved by the Board of Directors and authorised for issue on July 14, 2016

2) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016, June 30, 2015 and April 1, 2015 and of the comprehensive net income for the period ended June 30, 2015.

These financial statements have been prepared in accordance with Ind AS 34 Interim Financial Reporting as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

b) Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

CMC Limited has been amalgamated with the Company with effect from April 1, 2015 in terms of the scheme of amalgamation sanctioned by the High Court of Judicature at Bombay vide its Order dated August 14, 2015 and the High Court of Judicature at Hyderabad vide its Order dated July 20, 2015.

c) 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 the entity.

Subsidiaries 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 and 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 owners of the Company.

d) Business Combinations

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit or 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 the 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 are recorded in shareholders' equity.

e) Use of estimates

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of IND AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities 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.

Key source of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of goodwill, useful lives of property, plant and equipment and valuation of deferred tax assets and provisions and contingent liabilities.

Impairment of Goodwill

The Group estimate the value in use of the cash generating unit (CGU) 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 were developed using internal forecasts. The discount rate used for the CGU's represented the weighted- average cost of capital based on the historical market returns of comparable companies.

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.

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2(j).

Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) 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 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.

f) Revenue recognition

The Group earns revenue primarily from providing information technology and consultancy services, including services under contracts for software development, implementation and other related services, licensing and sale of its own software, business process services and maintenance of equipment.

The Group recognises revenue as follows:

Revenue from bundled contracts that involve supplying computer equipment, licensing software and providing services is allocated separately for each element based on their fair values.

Revenue from contracts priced on a time and material basis is recognised as services are rendered and as related costs are incurred.

Revenue from software development contracts, which are generally time bound fixed price contracts, is recognised over the life of the contract using the percentage-of-completion method, with contract costs determining the degree of completion. Losses on such contracts are recognised when probable. Revenue in excess of billings is recognised as unbilled revenue in the statement of financial position; to the extent billings are in excess of revenue recognised, the excess is reported as unearned and deferred revenue in the statement of financial position.

Revenue from Business Process Services contracts priced on the basis of time and material or unit of delivery is recognised as services are rendered or the related obligation is performed.

Revenue from the sale of internally developed and manufactured systems and third party products which do not require significant modification is recognised upon delivery, which is when the absolute right to use passes to the customer and The Group does not have any material remaining service obligations.

Revenue from maintenance contracts is recognised on a pro-rata basis over the period of the contract.

Revenue is recognised only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability of the resulting receivables is reasonably assured.

Revenue is reported net of discounts, indirect and service taxes.

Dividend is 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.

g) Leases

Finance lease

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are 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.

Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

h) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary nature. The costs of the company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses majorly include fees to external consultants, cost running its facilities, travel expenses, cost of hardware and software bought for reselling, communication costs allowances for delinquent receivables and other expenses. Other expenses is an aggregation of costs which are individually not material such us commission and brokerage, bank charges, freight and octroi etc.

i) Foreign currency

The functional currency of The Company and its Indian subsidiaries is the Indian Rupee (₹) whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit or loss have been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

j) 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 tax are recognised in profit or 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 overseas 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 for their 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 units 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 asset 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.

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

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

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future 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 Group recognises interest levied and penalties related to income tax assessments in income tax expenses.

k) Financial 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.

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 and selling financial assets 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.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is 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 and 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 Group after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost

Hedge accounting
The Group designates certain foreign exchange forward, option and future 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, which 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 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. The ineffective portion of designated hedges are recognised immediately in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised other comprehensive income and accumulated under the heading cash flow hedge 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 profit or 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 or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in statement of changes in equity is transferred to the statement of profit and loss.

l) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment so as to expense the cost less residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful lives
Buildings	Straight line	20 years
Leasehold improvements	Straight line	Lease period
Plant and equipment	Straight line	10 years
Computer equipment	Straight line	4 years
Vehicles	Straight line	4 years
Office equipment	Straight line	5 years
Electrical installations	Straight line	10 years
Furniture and fixtures	Straight line	5 years

Assets held under finance leases are depreciated over the shorter of the lease term and their useful lives. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

m) Goodwill and intangible assets

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.

Intangible assets purchased including acquired in business combination, are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortised on a straight line basis over its useful lives as given below:

Intangible assets consist of acquired contract rights, rights under licensing agreement and software licences and customer-related intangibles. Following table summarises the nature of intangibles and the estimated useful lives.

Nature of intangible	Useful lives
Acquired contract rights	3-12 years
Rights under licensing agreement and software licences	Lower of licence period and 2-5 year
Customer-related intangibles	3 years

n) Impairment

A. 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. 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.

B. Non-financial assets

(i) Tangible and intangible assets

Property, plant and equipment and 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.

(ii) Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. 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.

o) Employee benefits

(i) 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. Actuarial gains and losses are recognised in full in other comprehensive income for 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

(ii) Defined contribution plans

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

(iii) Compensated absences

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 obligation at the reporting date.

p) 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 Group are carried at lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

q) **Earnings per share**

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

3) EXPLANATION OF TRANSITION TO IND AS

The transition as of April 1, 2015 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Group in accordance with Ind AS 101, First–time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

Exemptions from retrospective application:

The Group has applied the following exemptions:

(a) Business combinations

The Company has elected to apply Ind AS 103, Business Combinations, retrospectively to past business combinations from April 1, 2013.

Reconciliations between Previous GAAP and Ind AS

(i) Equity reconciliation

(₹ crores)

	Notes	As at March 31, 2016	As at June 30, 2015	As at April 1, 2015
Equity under Previous GAAP attributable to:				
Tata Consultancy services Limited		65,361	55,417	50,635
Non-controlling interests		502	453	1,128
Equity under Previous GAAP		**65,863**	**55,870**	**51,763**
Amalgamation of subsidiary	a	-	-	(296)
Adjusted equity as on April 1,2015		**65,863**	**55,870**	**51,467**
Dividend and tax on dividend	b	6,406	1,297	5,649
Effect of Consolidation of Employee welfare trusts	c	184	176	168
Depreciation and amortisation	d	(483)	(521)	(537)
Obligation to acquire non-controlling interests	e	(189)	(207)	(240)
Reorganisation of entities under common control	f	(167)	(167)	(167)
Fair valuation of investments	g	86	33	9
Tax adjustments including dividend on undistributed earnings	h	(243)	(21)	(25)
Impact of retrospective application of Ind AS 103 to past business combinations	i	(29)	(42)	(47)
Others		(1)	1	(1)
Equity under Ind AS		**71,427**	**56,419**	**56,276**
Attributable to:				
Tata Consultancy services Limited		71,072	56,134	56,053
Non-controlling interests		355	285	223

(ii) Comprehensive income reconciliation

(₹ crores)

	Notes	For quarter ended June 30, 2015
Net income under Previous GAAP attributable to :		
Tata Consultancy services Limited		5,711
Non-controlling interests		30
Net income under Previous GAAP		**5,741**
Employee benefits	j	11
Effect of Consolidation of Employee welfare trusts	c	8
Depreciation and amortisation	d	17
Obligation to acquire non-controlling interests	e	(3)
Fair valuation of investments	g	27
Tax adjustments including dividend on undistributed earnings	h	(27)
Others		(1)
Profit for the period under Ind AS		**5,773**
Other comprehensive income		53
Comprehensive Income under Ind AS		**5,826**
Attributable to:		
Tata Consultancy services Limited		5,763
Non-controlling interests		63

Notes to reconciliations between Previous GAAP and Ind AS

(a) **Amalgamation of subsidiary**

In the previous year, CMC ltd. ,a subsidiary merged with the company effective with the terms of the Scheme of amalgamation sanctioned by High Court of judicature at Bombay vide its order dated August 14,2015 and High Court judicature at Hyderabad through its order dated July 20,2015. The Company issued 11,699,962 equity shares of ₹ 1 each to the non-controlling shareholders of CMC Limited pursuant to the Scheme of amalgamation without payment being received in cash. The difference between the nominal value of the shares issued and the carrying value of the non-controlling interest has been recorded in retained earnings.

This has resulted in decrease in equity by ₹ 296 crores as on April 1,2015.

(b) **Dividend and tax on dividend**

Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Under Previous GAAP, dividend payable is recorded as a liability in the period to which it relates.

This has resulted in an increase in equity by ₹ 6,406 crores, ₹ 1,297 crores,₹ 5,649 crores as on March 31, 2016, June 30, 2015 and April 1, 2015 respectively.

(c) **Effect of Consolidation of Employee welfare trusts**

Ind AS 110 – Consolidated Financial Statements defines control and establishes control as the main basis for consolidating the entities. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, in light of which we are required to consolidate employee welfare trusts of the Group. Under Previous GAAP, these were not required to be consolidated.

This has resulted in an increase in equity by ₹ 184 crores, ₹ 176 crores, ₹ 168 crores as at March 31 2016, June 30, 2015 and April 1, 2015 respectively and increase in net income ₹ 8 crores for the period ended June 30, 2015 respectively.

(d) **Depreciation**

In April 2014, the Group revised its method of depreciation from written down value to straight-line basis. This change in method was retrospectively adjusted in accordance with previous GAAP. Under Ind AS, the Group has elected to apply Ind AS 16 - Property, plant and equipment from the date of acquisition of property, plant and equipment and accordingly in accordance with Ind AS 8- Accounting policies, changes in accounting estimates and errors, the change in method has been prospectively applied.

This has resulted in a decrease in equity by ₹ 483 crores, ₹ 521 crores, ₹ 537 crores as on March 31 2016, June 30, 2015 and April 1, 2015 respectively and increase in net income by ₹ 17 crores for the period ended June 30, 2015.

(e) **Obligation to acquire non-controlling interests**

The Group under Ind AS-103 –Business Combination has recognised a liability for the present value of the redemption amount towards call option and the non-controlling interest's put option which collectively contains an obligation for the Group to acquire non-controlling interest's equity ownership. Under Previous GAAP, these were not required to be recognised.

This has resulted in a decrease in equity by ₹ 189 crores, ₹ 207 crores, ₹ 240 crores as on March 31 2016, June 30, 2015 and April 1, 2015 respectively and decrease by ₹ 3 crores for the period ended June 30, 2015 respectively.

(f) **Reorganisation of entities under common control**

The Group under Ind AS 103-Business combination has accounted the transfer of the shareholding of Tata Sons Limited in Tata America International Corporation to Tata Consultancy Services Limited on the historical cost basis and the consideration paid in excess of carrying cost of the entity, as on the date of transfer, has been recorded as reduction to equity. Under Previous GAAP, the transfer has been accounted for on fair value basis.

This has resulted in a decrease in equity by ₹ 167 crores as on March 31 2016, June 30, 2015 and April 1, 2015.

(g) **Fair valuation of investments**

Under previous GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value which is other than temporary, under Ind AS Financial assets other than amortized cost are subsequently measured at fair value.

TCS Ltd. holds Investment in government securities with the objective of both collecting contractual cash flows which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. The group has also made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading. This has resulted in increase in investment revaluation reserve by ₹ 82 crores, ₹ 4 crores and ₹ 4 crores as on March 31, 2016, June 30, 2015 and April 1, 2015 respectively, and increase in other comprehensive income by ₹ -* crores for the period ended June 30, 2015.

Investment in Mutual Funds, have been classified as fair value through profit and loss and fair value changes are recognized in profit or loss. This has resulted in increase in retained earnings of ₹ 4 crores, ₹ 29 crores and ₹ 5 crores as on March 31, 2016, June 30, 2015 and April 1, 2015 respectively, and increase in net comprehensive income by ₹ 27 crores for the period ended June 30, 2015.

(h) **Tax adjustments including dividend on undistributed earnings**

Under previous GAAP, in the consolidated financial statements, the tax expense of the parents and group companies were added line- by-line and no adjustments were made/additional deferred taxes recognized or reversed on consolidation. Under Ind AS, deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and tax base. Consequently deferred tax on account of undistributed profits of the subsidiaries has been recognized in statement of profit or loss. Further tax adjustments are also made for deferred tax impact on account of differences between Previous GAAP and Ind AS.

These adjustments have resulted in an decrease in equity under Ind AS by ₹ 243 crores, ₹ 21 crores,₹ 25 crores as on March 31 2016, June 30, 2015 and April 1, 2015 respectively and decrease in net income by ₹ 27 crores for the period ended June 30, 2015.

(i) **Impact of retrospective application of Ind AS 103 to past business combinations**

Under Previous GAAP, the business combination was accounted at the book value, under Ind AS 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.

This has resulted in decrease in equity by ₹ 29 crores, ₹ 42 crores, ₹ 47 crores as on March 31, 2016, June 30, 2015 and April 1, 2015.

(j) **Employee benefits**

Under previous GAAP, actuarial gains and losses were recognized in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability/asset which is recognized in other comprehensive income in the respective periods.

This has resulted in increase in net income by ₹ 11 crores as of June 30, 2015 respectively. However the same does not result in difference in equity or total comprehensive income.

* represents values less than ₹ 1 crore

4) **PROPERTY ,PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following:

Property,plant and equipment

(₹ crores)

Description	Freehold land	Buildings	Leasehold Improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical Installations	Furniture and fixtures	Total
Cost as of April 1, 2016	348	6,119	1,840	322	5,591	32	2,004	1,620	1,432	19,308
Additions	-	260	28	14	292	1	32	33	33	693
Disposals	-	-	(10)		(25)	-	(8)	(2)	(3)	(48)
Translation exchange difference	-	1	23	-	7	-	3	1	5	40
Cost as of June 30, 2016	348	6,380	1,881	336	5,865	33	2,031	1,652	1,467	19,993
Accumulated depreciation as af April 1, 2016	-	(1,139)	(977)	(40)	(4,155)	(21)	(1,284)	(732)	(989)	(9,337)
Depreciation for the period	-	(79)	(50)	(8)	(191)	(1)	(67)	(36)	(33)	(465)
Disposals	-	-	10	-	21	-	2	1	3	37
Translation exchange difference	-	-	(7)	-	(3)	-	(2)	(1)	(3)	(16)
Accumulated depreciation as of June 30, 2016	-	(1,218)	(1,024)	(48)	(4,328)	(22)	(1,351)	(768)	(1,022)	(9,781)
Net carrying amount as of June 30, 2016	348	5,162	857	288	1,537	11	680	884	445	10,212

(₹ crores)

Description	Freehold land	Buildings	Leasehold Improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Electrical Insatallations	Furniture and fixtures	Total
Cost as of April 1, 2015	347	4,831	1,675	129	5,074	28	1,762	1,295	1,257	16,398
Additions	-	1,285	186	193	655	8	245	335	194	3,101
Disposals	-	(1)	(38)	-	(168)	(4)	(17)	(12)	(20)	(260)
Translation exchange difference	1	4	17	-	30	-	14	2	1	69
Cost as of March 31, 2016	348	6,119	1,840	322	5,591	32	2,004	1,620	1,432	19,308
Accumulated depreciation as of April 1, 2015	-	(855)	(802)	(18)	(3,542)	(21)	(1,042)	(603)	(874)	(7,757)
Depreciation for the year	-	(283)	(200)	(22)	(766)	(4)	(252)	(134)	(129)	(1,790)
Disposals	-	-	29	-	168	4	17	7	18	243
Translation exchange difference	-	(1)	(4)	-	(15)	-	(7)	(2)	(4)	(33)
Accumulated depreciation as of March 31, 2016	-	(1,139)	(977)	(40)	(4,155)	(21)	(1,284)	(732)	(989)	(9,337)
Net carrying amount as of March 31, 2016	348	4,980	863	282	1,436	11	720	888	443	9,971

(i) Buildings include ₹ 3 crores (March 31, 2016: ₹ 3 crores) being value of investment in shares of Co-operative Housing Societies and Limited Companies.

(ii) Legal formalities relating to conveyance of buildings having net book value ₹ -* crores (March 31, 2016: ₹ -* crores) are pending completion.

*Amounts less than ₹ 1 crore.

Net carrying amount of property, plant and equipment under finance lease arrangements were as follows:

(₹ crores)

	As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
Leasehold improvements	105	105	105
Computer equipment	183	182	161
Office equipments	3	3	3
Electrical Installations	5	4	4
Leased assets	296	294	273
Less:Accumulated depreciation	208	200	132
Leased assets(net)	88	94	141

5) **INTANGIBLE ASSETS**

Intangible assets consist of the following:

(₹ crores)

Description	Acquired contract rights	Rights under licensing agreement and software licence	Customer-related intangibles	Total
Cost as of April 1, 2016	379	144	86	609
Additions	-	-	-	-
Translation exchange difference	(8)	(9)	1	(16)
Cost as of June 30, 2016	371	135	87	593
Accumulated amortisation as of April 1, 2016	(281)	(116)	(78)	(475)
Amortisation for the period	(17)	(2)	(6)	(25)
Translation exchange difference	8	8	1	17
Accumulated amortisation as of June 30, 2016	(290)	(110)	(83)	(483)
Net carrying amount as of June 30, 2016	81	25	4	110

(₹ crores)

Description	Acquired contract rights	Rights under licensing agreement and software licences	Customer-related intangibles	Total
Cost as of April 1, 2015	364	141	80	585
Additions	-	3	-	3
Translation exchange difference	15	-	6	21
Cost as of March 31, 2016	379	144	86	609
Accumulated amortisation as at April 1, 2015	(208)	(106)	(51)	(365)
Amortisation for the year	(66)	(10)	(21)	(97)
Translation exchange difference	(7)	-	(6)	(13)
Accumulated amortisation as of March 31,	(281)	(116)	(78)	(475)
Net carrying amount as of March 31, 2016	98	28	8	134

6) **INVESTMENTS**

Investments consists of the following:

(A) Investments-Non current

(₹ crores)

	As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a) Investments carried at fair value through profit and loss			
Mutual and other funds (unquoted)	59	58	7
(b) Investments carried at fair value through OCI			
Fully paid equity shares (quoted)		-	4
Fully paid equity shares (unquoted)	150	169	162
(c) Investments carried at amortised cost			
Government Securities (quoted)	101	101	55
Corporate debentures and Bonds (unquoted)	15	15	25
	325	343	253
(i) Market value of quoted investments	101	101	59
(ii) Carrying value of quoted investments	101	101	59
(iii) Carrying value of unquoted investments	224	242	194

(B) Investments -Current

(₹ crores)

	As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a) Investment carried at fair value through profit and Loss			
Mutual and other funds (unquoted)	4,060	1,709	1,501
(b) Investment carried at fair value through OCI			
Government securities(quoted)	20,161	20,254	-
(c) Investment carried at amortised cost			
Certificate of deposits (unquoted)	-	491	-
Corporate debentures and Bonds(unquoted)	25	25	-
	24,246	22,479	1,501
Market value of quoted investments	20,161	20,254	-
Carrying value of quoted investments	20,161	20,254	-
Carrying value of unquoted investments	4,085	2,225	1,501

7) **LOANS**

Loans consists of the following:

(A) Long term loans

(₹ crores)

	As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
Unsecured,considered good			
(i) Loans to employees	7	7	9
(ii) Inter-corporate deposits	62	2,465	1,572
	69	2,472	1,581

(B) Short term loans

(₹ crores)

	As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a) Unsecured, Considered good			
(i) Loans to employees	862	1,021	336
(ii) Inter-corporate deposits	4,180	1,721	1,154
(iii) Others	1	1	3
(b) Considered doubtful			
(i) Loans to employees	60	56	51
Less:Allowance on loans to employees	(60)	(56)	(51)
	5,043	2,743	1,493

8) **OTHER FINANCIAL ASSETS**

Other financial assets consist of the following:

(A) Non-current financial assets

(₹ crores)

		As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a)	Interest receivable	65	73	24
(b)	Long-term bank deposits	426	415	500
(d)	Security deposits	912	730	665
(e)	Loans to related parties	3	3	3
(f)	Earmarked balances with banks	86	86	-
(g)	Others	6	18	42
		1,498	1,325	1,234
	Loans to related parties,considered good, comprise:			
	Tata Sons Limited	3	3	3

(B) Current financial assets

(₹ crores)

		As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a)	Interest receivable	544	206	342
(b)	Fair value of foreign exchange forward and currency option contracts	548	537	365
(c)	Security deposits	126	143	127
(d)	Others	1,319	30	75
		2,537	916	909

Others include an amount of ₹ 1,268 crores for receivable towards sale of mutual funds as at June 30, 2016

9) **DEFERRED TAX BALANCES**

Deferred tax balances consist of the following:

(₹ crores)

		As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(i) Deferred tax assets (net)				
(a)	Depreciation and amortisation	48	40	29
(b)	Employee benefits	336	327	294
(c)	Cash flow hedges	(18)	(7)	(20)
(d)	Receivables, financial assets at amortised cost	206	190	158
(e)	MAT credit entitlement	1,985	1,987	1,905
(f)	Operating loss carry forward	20	42	-
(g)	Unrealised loss on securities carried at fair value through profit and loss / OCI	(78)	(28)	(3)
(h)	Others	383	357	270
		2,882	**2,908**	**2,633**
(ii) Deferred tax liabilities (net)				
(a)	Depreciation and amortisation	100	102	129
(b)	Receivables, financial assets at amortised cost	(1)	(1)	-
(c)	Undistributed earnings of subsidiaries	411	342	160
(d)	Branch profit tax	368	346	256
(e)	Others	20	16	(5)
		898	**805**	**540**

10) **OTHER ASSETS**

Other assets consist of the following:

(A) Other Non current assets

(₹ crores)

	As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a) Considered good			
(i) Capital advances	151	149	169
(ii) Prepaid expenses	322	448	534
(iii) Prepaid rent	232	235	241
(iv) Indirect tax recoverable	10	21	52
(v) Others	164	73	79
	879	926	1,075

(B) Other Current assets

(₹ crores)

	As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a) Considered good			
(i) Prepaid expense	1,332	1,376	1,512
(ii) Advance to suppliers	110	240	110
(iii) Advance to related parties	-	1	-
(iv) Indirect tax recoverable	339	340	309
(v) Others	164	217	152
(b) Considered doubtful			
(i) Advance to suppliers	3	3	5
Less:Allowance on advance to suppliers	(3)	(3)	(5)
(iii) Others	5	5	5
Less:Allowance on other current assets	(5)	(5)	(5)
	1,945	2,174	2,083
Advance to related parties,considered good comprise:			
Taj Air Limited		1	

11) **INVENTORIES**

Inventories consist of the following:

(₹ crores)

	As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a) Raw materials, sub-assemblies and components	12	9	10
(b) Finished goods and Work-in-progress	-	-	2
(c) Goods-in-transit (raw materials)	1	-	2
(d) Stores and spares	1	7	1
	14	16	15

12) **TRADE RECEIVABLES (Unsecured)**

Trade receivables(unsecured) consists of the following:

(₹ crores)

	As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(i) Considered good	24,741	24,073	20,440
(ii) Considered doubtful	617	574	448
	25,358	24,647	20,888
Less: Provision for doubtful receivables	(617)	(574)	(448)
	24,741	24,073	20,440

13) **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

(₹ crores)

		As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a)	Balances with banks			
	In current accounts	2,398	2,159	1,443
	In deposit accounts with original maturity less than three months	314	2,881	353
(b)	Cheques on hand	21	25	51
(c)	Cash on hand	2	1	1
(d)	Remittances in transit	107	1,229	14
		2,842	6,295	1,862

14) **OTHER BANK BALANCES**

Other bank balances consist of the following:

(₹ crores)

		As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a)	Earmarked balances with banks	43	440	313
(b)	Short-term bank deposits	14	53	16,383
		57	493	16,696

15) **SHARE CAPITAL**

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares and preference shares having a par value of ₹ 1 each as follows:

The Authorised equity share capital was increased to 460,05,00,000 equity shares of ₹ 1 each pursuant to the amalgamation of its subsidiaries, WTI Advanced Technology Limited vide the order dated March 27,2015 of the high court of judicature of Bombay and CMC Limited, vide the Order dated August 14, 2015 of the High Court of Judicature at Bombay and vide the Order dated July 20, 2015 of the High Court of Judicature at Hyderabad.

(₹ crores)

		As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
	Authorised			
(a)	460,05,00,000 equity shares of ₹ 1 each	460	460	420
	(March 31, 2016 : 460,05,00,000 equity shares of ₹ 1 each)			
	(April 1, 2015 : 420,05,00,000 equity shares of ₹ 1 each)			
(b)	105,02,50,000 preference shares of ₹ 1 each	105	105	105
	(March 31, 2016 : 105,02,50,000 preference shares of ₹ 1 each)			
	(April 1, 2015 : 105,02,50,000 preference shares of ₹ 1 each)			
		565	565	525
	Issued, Subscribed and Fully paid-up			
(a)	197,04,27,941 equity shares of ₹ 1 each	197	197	196
	(March 31, 2016 : 197,04,27,941 equity shares of ₹ 1 each)			
	(April 1, 2015 : 197,04,27,941 equity shares of ₹ 1 each)			
(b)	Potential equity shares to be issued to non-controlling shareholders of CMC Limited	-	-	1
		197	197	197

16) **OTHER EQUITY (excluding non -controlling interest)**

Other equity (excluding non-controlling interest) consist of the following:

(₹ crores)

		As at June 30, 2016	As at March 31, 2016
(a)	Capital reserve (on consolidation)	75	75
(b)	Securities premium reserve	1,919	1,919
(c)	General reserve		
	(i) Opening balance	10,549	8,245
	(ii) Transferred from retained earnings	-	2,304
		10,549	10,549
(d)	Capital redemption reserve		
	(i) Opening balance	523	413
	(ii) Transferred from retained earnings*	-	110
		523	523
(e)	Surplus in retained earnings		
	(i) Opening balance	56,116	43,904
	(ii) Add : Profit for the period	6,317	24,271
	(iii) Add: Remeasurement of defined employee benefit plans transferred to profit and loss	(28)	(108)
		62,405	68,067
	(iv) Less : Appropriations		
	(a) Dividend on equity shares	5,320	7,986
	(b) Tax on dividend	1,080	1,486
	(c) Trasferred to capital redemption reserve*	-	110
	(d) Transferred to general reserve	-	2,304
	(e) Transferred to statutory reserve	-	65
		56,005	56,116
(f)	Statutory reserve		
	(i) Opening balance	185	120
	(ii) Transferred from retained earnings	-	65
		185	185
(g)	Investment revaluation reserve		
	(i) Opening balance	53	3
	(iii) Addition during the period (net)	73	50
		126	53
(h)	Hedging reserve (Refer Note 26)		
	(i) Opening balance	49	130
	(ii) Addition/ (Deduction) during the period (net)	66	(81)
		115	49
(i)	Foreign currency translation reserve		
	(i) Opening balance	1,406	1,047
	(ii) Addition during the period (net)	69	359
		1,475	1,406
		70,972	70,875

* On June 25, 2015, Diligenta Limited, a wholly owned subsidiary redeemed 1,10,00,000 redeemable preference shares of GBP 1 each. Accordingly an amount of ₹ 110 crores has been transferred to Capital redemption reserve during the year.

17) **BORROWINGS**

Borrowings consist of the following:

(A) Long term borrowings

(₹ crores)

		As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a)	Secured loans			
	Long-term maturities of obligations under finance lease	63	83	114
(b)	Unsecured loans			
	Borrowings from entity other than banks	-	-	1
		63	83	115

Obligations under finance lease are secured against property plant and equipment obtained under finance lease arrangements.

(B) Short term borrowings

(₹ crores)

		As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a)	Secured loans			
	Overdraft from banks	-	112	-
(b)	Unsecured loans			
	Overdraft from bank	6	1	186
		6	113	186

Overdrafts from banks are secured against trade receivables.

18) **OTHER FINANCIAL LIABILITIES**

Other financial liabilities consist of the following:

(A) Other non Current financial liabilities

(₹ crores)

		As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a)	Capital creditors	16	62	68
(b)	Other payables	459	431	594
		475	493	662

Other payables include advance taxes paid of ₹ 230 crores (March 31, 2016: ₹ 230 crores) (April 01, 2015: ₹ 333 crores) by the seller of TCS e-serve Limited which, on refund by the tax authorities, is payable to the seller.

(B) Other current financial liabilities

(₹ crores)

		As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a)	Current maturities of long-term debt	-	-	-
(b)	Current maturities of obligations under finance lease	42	49	57
(c)	Unclaimed dividends	30	21	20
(d)	Foreign currency derivative liabilities	48	152	20
(e)	Capital creditors	281	331	337
(f)	Liabilities for cost related to customer contracts	857	882	728
(g)	Liabilities for purchase of government securities	-	805	-
(h)	Other payables	138	124	83
		1,396	2,364	1,245

Obligations under finance lease are secured against property, plant and equipment obtained under finance lease arrangements.

19) **PROVISIONS**

Provisions consist of the following:

(₹ crores)

		As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(A)	**Non-current**			
	Provision for foreseeable loss on a long-term contract	42	40	94
		42	40	94
(B)	**Current**			
	Provision for foreseeable loss on a long-term contract	127	115	103
		127	115	103

20) **OTHER LIABILITIES**

Other liabilities consist of the following:

(A) Other Non Current liabilities

(₹ crores)

		As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a)	Operating lease liabilities	373	379	345
(b)	Others	51	63	59
		424	442	404

(B) Other Current liabilities

(₹ crores)

		As at June 30, 2016	As at March 31, 2016	As at April 1, 2015
(a)	Advance received from customers	218	164	131
(b)	Indirect tax payable and other statutory liabilities	2,860	1,381	1,146
(c)	Operating lease liabilities	106	80	57
(d)	Others	12	12	8
		3,196	1,637	1,342

Indirect tax payable and other statutory liabilities include an amount of ₹ 1080 crores as at June 30, 2016 towards liability for tax on dividend.

21) **OTHER INCOME (NET)**

(₹ crores)

		For the quarter ended June 30, 2016	For the quarter ended June 30, 2015
(a)	Interest income	581	446
(b)	Dividend income	-	4
(c)	Gain/(loss) on investements carried at fair value through profit and loss	83	87
(d)	Gain/(loss) on disposal of property, plant and equipment	3	2
(e)	Net foreign exchange gains	289	197
(f)	Rent Income	5	5
(g)	Other gains (losses), net	14	38
		975	779
Interest income comprise :			
	Interest on bank balances	58	372
	Interest income on financial assets carried at amortised cost	125	69
	Interest income on financial assets carried at fair value through OCI	398	-
	Others	-	5
Net foreign exchange gains include:			
	Gain on foreign exchange forward and currency option contracts which have been designated as Cash Flow Hedges (Refer Note 26(b))	21	8

22) **EMPLOYEE COSTS**

(₹ crores)

		For the quarter ended June 30, 2016	For the quarter ended June 30, 2015
(a)	Salaries, incentives and allowances	13,832	11,961
(b)	Contributions to provident and other funds	1,073	990
(c)	Staff welfare expenses	469	340
		15,374	13,291

23) **OTHER OPERATING EXPENSES**

(₹ crores)

		For the quarter ended June 30, 2016	For the quarter ended June 30, 2015
(a)	Fees to external consultants	2,295	1,844
(b)	Facility running expenses	929	813
(c)	Cost of equipment and software licences	678	658
(d)	Travel expenses	729	603
(e)	Communication expenses	298	281
(f)	Bad debts,provision for trade receivables and advances(net)	49	39
(g)	Other expenses	1,116	938
		6,094	5,176

24) **FINANCE COSTS (at effective interest rate method)**

(₹ crores)

	For the quarter ended June 30, 2016	For the quarter ended June 30, 2015
(a) Interest on bank overdrafts and loans	-	1
(b) Other expenses	12	6
	12	7

25) **EARNING PER SHARE (EPS)**

	For the quarter ended June 30, 2016	For the quarter ended June 30, 2015
Profit for the year (₹ crores)	6,317	5,747
Amount available for equity shareholders (₹ crores)	6,317	5,747
Weighted average number of shares issued	197,04,27,941	197,04,27,941
Earning per share basic and diluted (₹)	32.06	29.17
Face value per equity share (₹)	1	1

26) **FINANCIAL INSTRUMENTS**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(k) to the consolidated financial statements.

a) Financial assets and liabilities

The carrying value of financial instruments by categories as of June 30, 2016 is as follows:

(₹ crores)

	Fair value through profit or loss	Fair value through other comprehensive	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationshi	Amortised cost	Total carrying value
Financial assets:						
Cash and cash equivalents	-	-	-	-	2,842	2,842
Bank deposits & ear marked bank balances	-	-	-	-	569	569
Trade receivables					24,741	24,741
Investments	4,119	20,311	-	-	141	24,571
Unbilled revenue					4,385	4,385
Loans					5,112	5,112
Other financial assets	-	-	175	373	2,975	3,523
Total	**4,119**	**20,311**	**175**	**373**	**40,765**	**65,743**
Financial liabilities:						
Trade and other payables					6,711	6,711
Borrowings	-	-	-	-	69	69
Mandatorily redeemable	-	-	-	-	-	-
Other financial liabilities	-	-		48	1,823	1,871
Total	**-**	**-**	**-**	**48**	**8,603**	**8,651**

The carrying value of financial instruments by categories as of March 31, 2016 is as follows:

(₹ crores)

	Fair value through profit or loss	Fair value through other comprehensive	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
Financial assets:						
Cash and cash equivalents	-	-	-	-	6,295	6,295
Bank deposits & ear marked bank balances	-	-	-	-	994	994
Trade receivables					24,073	24,073
Investments	1,767	20,423	-	-	632	22,822
Unbilled revenue					3,992	3,992
Loans					5,215	5,215
Other financial assets	-	-	116	421	1,203	1,740
Total	**1,767**	**20,423**	**116**	**421**	**42,404**	**65,131**
Financial liabilities:						
Trade and other payables					7,541	7,541
Borrowings	-	-	-	-	196	196
Other financial liabilities	-	-	15	137	2,705	2,857
Total	**-**	**-**	**15**	**137**	**10,442**	**10,594**

The carrying value of financial instruments by categories as of April 1, 2015 is as follows:

(₹ crores)

	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	-	-	-	-	1,862	1,862
Bank deposits & ear marked bank balances	-	-	-	-	17,196	17,196
Trade receivables					20,440	20,440
Investments	1,508	166	-	-	80	1,754
Unbilled revenue					3,827	3,827
Loans					3,074	3,074
Other financial assets	-	-	186	179	1,278	1,643
Total	**1,508**	**166**	**186**	**179**	**47,757**	**49,796**
Financial liabilities:						
Trade and other payables					8,832	8,832
Borrowings	-	-	-	-	301	301
Other financial liabilities	-	-	-	20	1,887	1,907
Total	**-**	**-**	**-**	**20**	**11,020**	**11,040**

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 investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a 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):

`

(In crores)

As of June 30, 2016:	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Mutual fund units	4,119	-	-	4,119
Equity shares		-	150	150
Corporate debentures and bonds	-	40	-	40
Government securities	20,262	-	-	20,262
Inter-corporate deposits				
Derivative financial assets	-	548	-	548
Total	**24,381**	**588**	**150**	**25,119**
Financial liabilities:				
Derivative financial liabilities	-	48	-	48
Total	**-**	**48**	**-**	**48**

(In crores)

As of March 31, 2016:	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Mutual fund units	1,767	-	-	1,767
Equity shares	-	-	169	169
Corporate debentures and bonds	-	40	-	40
Government securities	20,355	-	-	20,355
Certificate of deposits	-	491	-	491
Derivative financial assets	-	537	-	537
Total	**22,122**	**1,068**	**169**	**23,359**
Financial liabilities:				
Derivative financial liabilities	-	152	-	152
Total	**-**	**152**	**-**	**152**

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As of April 1, 2015:	Level 1	Level 2	Level 3	Total
				(₹ crores)
Financial assets:				
Mutual fund units	1,508	-	-	1,508
Equity shares	4	-	162	166
Corporate debentures and bonds	-	25	-	25
Government securities	55	-	-	55
Inter-corporate deposits				
Derivative financial assets	-	365	-	365
Total	**1,567**	**390**	**162**	**2,119**
Financial liabilities:				
Derivative financial liabilities	-	20	-	20
Total	**-**	**20**	**-**	**20**

b) Derivative financial instruments and hedging activity

The Group's revenue is denominated in foreign currency predominantly US Dollar, Sterling Pound and Euro. In addition to these currencies, The Group also does business in Australian Dollar, Singapore Dollar, Saudi Arabian Riyal, Danish Kroner and Brazilian Real. 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 Group monitors and manages the financial risks relating to its operations by analysing its foreign exchange exposures by the level and extent of currency risks.

The Company and its subsidiaries use various derivative financial instruments governed by policies approved by the board of directors such as foreign exchange forward, option and future contracts to manage and mitigate its exposure to foreign exchange rates. The counterparty is generally a bank. The Company and its subsidiaries can enter into contracts for a period between one day and eight years.

The Company and its subsidiaries report quarterly to its risk management committee, an independent body that monitors foreign exchange risks and policies implemented to manage its foreign exchange exposures.

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

	June 30,2016			March 31,2016			April 1,2015		
Foreign currency	No. of contracts	Notional amount of contracts	Fair value (₹ crores)	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)	No. of contracts	Notional amount of contracts (million)	Fair value (₹ crores)
U.S. Dollar	-	-	-	9	225	41	-	-	-
Sterling Pound	14	242	118	8	160	52	18	297	67
Euro	24	447	51	24	285	20	9	171	88
Australian Dollar	15	147	6	21	228	(12)	6	97	31

The movement in Hedging Reserve for derivatives designated as Cash Flow Hedges is as follows:

(₹ crores)

	Period ended June 30, 2016		Year ended March 31, 2016	
	Intrinsic Value	Time Value	Intrinsic Value	Time Value
Balance at the beginning of the period	68	(19)	131	(1)
Changes in the fair value of effective portion of Cash Flow Hedges	116	(18)	250	(339)
Deferred tax on fair value of effective portion of Cash Flow Hedges	(16)	2	(32)	44
(Gains)/losses transferred to the statement of profit and loss on occurrence of forecasted hedge transactions	(88)	67	(323)	318
Deferred tax on (gains)/losses transferred to the statement of profit and loss on occurrence of forecasted hedge transactions	12	(9)	42	(41)
Balance at the end of the period	92	23	68	(19)

Net gain on derivative instruments of ₹ 115 crores recognised in Hedging Reserve as of June 30, 2016, is expected to be transferred to the statement of profit and loss by June 30, 2017.

In addition to the above Cash Flow Hedges, the Group has outstanding foreign exchange forwards, option and futures contracts with notional amount aggregating ₹ 20724 crores (March 31, 2016: ₹ 22144 crores,April1,2015: ₹ 19949 crores) whose fair value showed a gain of ₹ 325 crores as at June 30, 2016 (March 31, 2016 : gain of ₹ 284 crores April1,2015: ₹ 160 crores).
Exchange gain of ₹ 226 crores (June 30, 2015 : exchange loss of ₹ 241 crores) on foreign exchange forwards, option and futures contracts for the quarter ended June 30, 2016, have been recognised in the statement of profit and loss. Although these contracts are effective as hedges from an economic perspective, they do not qualify for hedge accounting.

27) **SEGMENT REPORTING**

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 practice) 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 science and healthcare, s-Governance, products, etc.
The Company has reclassified hi-tech segments to the communication, media and technology (previous reported as telecom, media and entertainment) reportable segment and travel, transportation and hospitality to the retail and consumer business (previously reported as retail and consumer packaged goods.
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 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. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.
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 and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets directly attributable or allocable to segments are disclosed under each reportable segment. All other assets are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

Quarter ended June 30, 2016 (₹ crores)

Particulars	Business segments					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue	11,835	3,050	5,243	4,876	4,301	**29,305**
Segment result	3,169	845	1,397	1,356	1,047	**7,814**
Total Unallocable expenses						479
Operating income						**7,335**
Other income (net)						975
Income before taxes						**8,310**
Tax expense						1,992
Net income						**6,318**

As at June 30, 2016 (₹ crores)

Particulars	Business segments					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Segment assets	11,707	2,967	5,105	5,149	5,993	**30,921**
Unallocable assets						58,756
Total assets						**89,677**
Segment liabilities	1,676	132	294	346	513	**2,961**
Unallocable liabilities						15,200
Total liabilities						**18,161**

Quarter ended June 30, 2015 (₹ crores)

Particulars	Business segments					
	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Others	Total
Revenue	10,410	2,541	4,459	4,339	3,919	**25,668**
Segment result	3,116	653	1,230	1,214	966	**7,179**
Total Unallocable expenses						438
Operating income						**6,741**
Other income (net)						779
Income before taxes						**7,520**
Tax expense						1,747
Net income						**5,773**

As at June 30, 2015						(₹ crores)
Particulars	**Business segments**					
	Banking, Financial Services and Insurance	**Manufacturing**	**Retail and Consumer Business**	**Communication, Media and Technology**	**Others**	**Total**
Segment assets	10,557	2,525	4,380	4,683	6,706	**28,851**
Unallocable assets						48,661
Total assets						**77,512**
Segment liabilities	1,653	149	296	291	1,042	**3,431**
Unallocable liabilities						17,661
Total liabilities						**21,092**

28) **COMMITMENTS AND CONTINGENT LIABILITIES**

			(₹ crores)
	As at June 30,2016	**As at March 31, 2016**	**As at April 1, 2015**
Claims against the group not acknowledged as debt (see (a) below)	7,143	7,017	192
Income tax demands(see (b) below)	7,954	7,957	3,905
Indirect tax demands(see (c) below)	252	193	170

a) 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 for alleged infringement of Epic's intellectual property. In April 2016, the Company received an unfavorable jury verdict awarding damages totaling ₹ 6347 crores (US $940 million) (March 31, 2016: ₹ 6227 crores (US$940 million)) to Epic which the trial judge has indicated his intent to reduce. On the basis of legal opinion and legal precedence, the Company expects to defend itself against the claim and believes that the claim will not sustain.

b) In respect of income tax demands of ₹ 318 crores (March 31, 2016: ₹ 318 crores, April 1, 2015: 318 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

c) In respect of indirect tax demands of ₹ 9 crores (March 31, 2016: ₹ 9 crores, April 1, 2015: 9 crores), not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

d) The Company has given letter of comfort to various banks for credit and / or foreign exchange hedging facilities availed by its subsidiaries (a) Tata America International Corporation, (b) Tata Consultancy Services Switzerland Ltd., (c) Tata Consultancy Services Sverige AB, (d) Tata Consultancy Services Belgium S.A., (e) Tata Consultancy Services Deutschland GmbH, (f) Tata Consultancy Services Netherlands BV, (g) Tata Consultancy Services Asia Pacific Pte Ltd., (h) TCS Italia SRL, (i) Tata Consultancy Services France S.A.S., (j) Tata Consultancy Services Malaysia Sdn Bhd, and (k) Tata Consultancy Services Luxembourg S.A. 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 subsidiaries.

e) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1345 (March 31, 2016: ₹ 1457crores, April 1, 2015: 1878 crores).

29) **SUBSEQUENT EVENT**

The Board of Directors at its meeting held on July 14, 2016 has recommended an interim dividend of ₹ 6.50 per equity share.