TATA CONSULTANCY SERVICES

TATA





# Innovating for Greater Futures

Integrated Annual Report 21 22











# Content


About TCS....03

Board of Directors....04

Management Team....05

Letter from the Chairman....06

Letter from the CEO....09

The Year Gone By....14

## Integrated Reporting Framework

TCS Integrated Business Model....19

Financial Capital....20

Human Capital....22

Intellectual Capital....24

Relationship and Social Capital....28

Natural Capital....31

## Thematic Section

Partnering with Takeda to Innovate at Scale....33

Co-Innovating with Bovemij to Fulfill its Mission and Drive Growth....34

Innovating for Greater Futures: A Panel Discussion....35

Transforming Israel's Banking Sector....40

Enabling Swiss Re's Risk Partnership Strategy for Future Growth....41

Q&A with Finance and HR....42

Helping RS Components Deepen Customer Relationships and Drive Profitable Growth....45

Boosting Colruyt's Competitiveness with Algorithmic Pricing....46

Transforming India's Lending Sector with a New Digital Platform....47

## Statutory Section

Notice....48

Directors' Report....82

Management Discussion and Analysis....107

Corporate Governance Report....137

Awards and Accolades....166

Corporate Sustainability Report....174

Business Responsibility and Sustainability Report....186

## Consolidated Financial Statements

Independent Auditors' Report....233

Consolidated Balance Sheet....243

Consolidated Statement of Profit and Loss....245

Consolidated Statement of Changes in Equity....247

Consolidated Statement of Cash Flows....250

Notes forming part of the Consolidated Financial Statements....252

## Standalone Financial Statements

Independent Auditors' Report....318

Standalone Balance Sheet....331

Standalone Statement of Profit and Loss....333

Standalone Statement of Changes in Equity....334

Standalone Statement of Cash Flows....337

Notes forming part of the Standalone Financial Statements....339

Statement under section 129 of the Companies Act, 2013 relating to Subsidiary Companies....398

## Glossary....402

## GRI Annexures

Identification of Material Topics....412

GRI Content Index....416







# About TCS

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

A part of the Tata group, India's largest multinational business group, TCS has over 592,000 of the world's best-trained consultants in 55 countries. The company generated consolidated revenues of US $25.7 billion in the fiscal year ended March 31, 2022, and is listed on the BSE (formerly Bombay Stock Exchange) and the NSE (National Stock Exchange) in India.

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

## Theme

This year's theme, **'Innovating for Greater Futures'** refers to the accelerated innovation witnessed in enterprises across the world, as they shift from improvising to cope with the challenges of the pandemic, to growth and transformation.

Accelerated adoption of the cloud is opening up all kinds of possibilities in product and business model innovation. Enterprises are seeking technology-led solutions to help realize their sustainability goals. The cloud is enabling boundaryless collaboration across industries, enabling innovative new offerings. Technology is at the heart of all this innovation, and clients are increasingly partnering with TCS to drive innovation at scale.

TCS has been innovating for greater futures too. Its investments in research and innovation, intellectual property, its worldwide network of Pace Port co-innovation hubs, and in building newer capabilities and acquiring contextual knowledge are helping win transformational business. Delivery model innovations such as its AI-powered Machine First approach, and platform-driven, outcome-based business models are helping clients reimagine their operations. All of these are helping the company drive holistic growth and create immense value for its stakeholders.

## Recent Annual Report Themes




FY 2021
Building on Belief




FY 2020
Purpose-Driven. Resilient.Adaptable.



FY 2019
Growth and Transformation with Business 4.0™




FY 2018
Dawn of Business 4.0™



FY 2017
Reimagining the Enterprise

# Board of **Directors**



From **left to right**

**Keki M Mistry**
C C M I

**N G Subramaniam**
COO
M M NE

**Hanne Sorensen**
M M I

**Rajesh Gopinathan**
CEO & MD
M M M NE

**N Chandrasekaran**
Chairman
C C M N

**Aarthi Subramanian**
M N

**Dr Pradeep Kumar Khosla**
C M I

**Don Callahan**
M M I

**O P Bhatt**
C M M I

Average Age (years)

51 — 61 — 71

Average Tenure on the Board (years)

03 — 06 — 15

Board Independence (%)

**56%**
**Independent**



**44%**
**Non-Independent**

Average Tenure of Independent Directors on the Board (years)

03 — 05 — 10

I Independent, Non-Executive Director

NE Non-Independent, Executive Director

N Non-Independent, Non-Executive Director

Board Committees — C Chairman — M Member

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

***Samir Seksaria (Chief Financial Officer)** is also a member of the Committee

# **Management** Team

## Corporate

**Rajesh Gopinathan**
Chief Executive Officer and Managing Director

**N G Subramaniam**
Chief Operating Officer and Executive Director

**Samir Seksaria**
Chief Financial Officer

**Milind Lakkad**
Chief Human Resources Officer

**Rajashree R**
Chief Marketing Officer

**K Ananth Krishnan**
Chief Technology Officer

**Madhav Anchan**
General Counsel Legal

**Pradeep Manohar Gaitonde**
Company Secretary

## Business Heads

**Susheel Vasudevan**
Relationship Incubation Group

**Krishnan Ramanujam**
Enterprise Growth Group

**Debashis Ghosh**
Business Transformation Group

**K Krithivasan**
Banking, Financial Services and Insurance

**Suresh Muthuswami**
Chairman – TCS North America

**Amit Bajaj**
North America

**Sapthagiri Chapalapalli**
Europe

**Amit Kapur**
UK & Ireland



**Dear Stakeholder,**

The past couple of years have been a period of intense action and reflection. We have seen a global pandemic, geopolitical tensions, supply chain disruptions, the rise of cryptocurrency and many other public and private upheavals. As the dust settles, and a clearer picture of the world ahead emerges, I believe we are standing at the threshold of a period of great opportunity and growth.

In the face of widespread change, your company has shown remarkable resilience and adaptability, coming out stronger than ever, after catastrophic events like the global financial crisis or the pandemic.

In FY 2022, your company crossed a milestone of **$25 billion** in revenues, experiencing strong growth of **15.9%**, adding an all-time high incremental revenues of **$3.5 billion**. Even more satisfyingly, this growth has come with an industry-leading operating margin of **25.3%**. Since the start of the last decade, the company has grown over four times, comfortably outperforming its largest global competitors. This growth is the source of our energy and vibrancy, reflected in the **17.7%** growth in market value to **₹13,83,427 crore** in the past year.

The change in technology consumption reflects the prevailing trends in the economy. Recent events have accelerated digital adoption, put the spotlight on supply chain resilience and added urgency to the sustainability imperative. Each of these represents an opportunity that can contribute towards the growth of not just your company, but of the ecosystem as a whole.

Digital transformation is now an integral part of the functioning of enterprises, governments and societies. Your company continues to play a critical role in this transformation, helping clients embrace new technologies, initially to cope with the crisis, and since then, to innovate at scale and grow their businesses.

As a fitness enthusiast, I can tell you that the only way to transform in the long term is by strengthening one's core. It is no different for organizations. We work with large enterprises to simplify their technology landscape and strengthen their core by building a cloud-based digital foundation and embedding intelligent automation into their operations so they can focus on building memorable experiences for their customers.

Artificial intelligence and data are key differentiators for enterprises today. TCS helps its customers stay ahead of the game by investing in research and innovation, tapping the intellectual capital within the organization and also of our ecosystem through our Co-Innovation Network which includes leading academic institutions and start-ups working on cutting-edge technologies. Our insights and foresight are also crystallized in the form of AI-powered products and platforms that give customers actionable intelligence.

Another area that is a priority for me at the Tata group is sustainability and integrating that into business decision-making and business models. Your company is partnering with clients in taking up community initiatives jointly, in sharing best practices around diversity and inclusion, and importantly, in helping them achieve their sustainability objectives using technology. In addition to reducing its own carbon footprint in its journey to be net zero by 2030, your company is helping the world's largest corporations in developing and executing their sustainability roadmaps, deploying its portfolio of intellectual property and services to help them track their emissions, reduce their carbon footprint and get closer to their net zero goals.

The supply chain upheavals during the past couple of years are driving a shift towards rebalancing and resilience. As companies seek real-time data to transform their supply chains, AI and predictive analytics help capture insights and react to changing conditions—from widescale disruptions to individual customer complaints. Your company is helping

companies reconfigure their supply chains in many ways, including rolling out connected logistics to efficiently manage business disruption and ensure that they can serve their customers and stakeholders on time.

I strongly believe that technology is at its most transformational when combined with the strength of human capital. In FY 2022, our employee strength grew to **592,195** with a record net addition of **103,546** employees. You will be proud of the way your company supported its employees and their families in dealing with the pandemic, including organizing what was perhaps the largest vaccination drive in corporate India for employees and families of not just TCS, but also of its extended ecosystem of partners and other group companies.

In turn, our employees have shown remarkable resilience, loyalty and tenacity in ensuring that our customers are not impacted, despite significant personal challenges. I salute their spirit.

Our purpose is anchored in the well-being of all our stakeholders, and the communities we operate in are very important stakeholders for us. Drawing from the legacy of the Tata group, we work closely with our communities to create equitable, inclusive pathways for all, especially women, youth and marginalized groups.

We leverage four forms of capital - Intellectual, Technological, Human, and Financial - to bridge the opportunity gap for people and communities. Our primary focus areas are education, skilling, employment, and entrepreneurship. Additionally, we invest in basic health and wellness, water sanitation and hygiene, conservation, and disaster relief efforts.

Since 2015, your company has invested **$634 million** in its community initiatives and empowered millions of people globally, primarily underserved students, minorities, youth, women and elders, to be literate, healthy, educated, digitally skilled, become rural entrepreneurs and gain employment.

As we look ahead to the future, we go back to a key pillar of our strategy – customer centricity. Our organization structure, our investments in new capabilities and intellectual property, our delivery models and contracting structures have all been shaped by our clients' needs. Our new organization structure is designed to make every client continue to feel deeply valued, and to leverage TCS' rich set of capabilities and contextual knowledge to transform, grow and build better futures. With scale and by steadily expanding its transformation capabilities, TCS is moving from pursuing opportunities, to shaping those opportunities in the years ahead.

I look forward to sharing with you more milestones in this journey in the coming years. On behalf of the Board of Directors of Tata Consultancy Services, I want to thank you for your continued trust, confidence, and support.

Warm regards,

**N Chandrasekaran**
Chairman

# Letter from the CEO[1]

Our new purpose-designed organization structure, along with continued investments in building newer capabilities, next generation delivery models and assets that help our clients innovate at scale, and in building our brand, will help us deepen our customer relationships, expand our addressable market, gain market share and power growth in the years ahead.

**Dear Stakeholder,**

With near normalcy all around, the pain and suffering caused by the pandemic at the start of the year seem so distant now. But the memories of TCSers and their loved ones we lost during the year will forever remain with us. My thoughts and prayers are with everyone who endured the loss of friends and family members to the pandemic.

Given that context, I am grateful that on the business front we have much to feel happy about and celebrate. It has been a highly satisfactory year of consistently strong, profitable growth. In rupee terms, our revenue was **₹191,754 crore**, which is growth of **16.8%** (**15.4%** in constant currency).

Our profitability continues to be industry-leading, with the operating margin at **25.3%**, and net margin at **20%**. Our Earnings Per Share was at **₹103.62**, growing **16.1%*** over the prior year.

Our cash conversion continues to be very strong, with a cash conversion ratio of **104.2%** and free cash flow of **₹36,985 crore**.

The Board has recommended a final dividend of **₹22** for the year, bringing the total dividend for the year to **₹43** per share. Additionally, during the year, we successfully completed our fourth buyback in five years, to the tune of **₹18,000 crore**, representing a total payout of **₹38,010 crore** including buyback tax of ₹4,192 crore paid out in April 2022. This amounts to over **102.8%** of the free cash flow.



[1] GRI 2-22

*Excluding provision towards legal claim in prior year.

Beyond the headline numbers, we are pleased with the holistic nature of the growth, broad-based across all our industry verticals and major markets, and with a steadily expanding number of growth and transformation engagements in the portfolio.

Growth was led by Retail and Consumer Business which was impacted the most during the pandemic and which has bounced back strongly, growing **20.0%**. Manufacturing grew **16.7%**, Banking, Financial Services and Insurance grew **14.5%** and Communications, Media and Technology grew **17.7%**. Life Sciences and Healthcare grew **20.6%** and Others which makes up **7.8%** of revenues grew **15.5%**.

All our major markets grew in the mid-teens or above. North America grew **18.7%**, Continental Europe grew **15.2%** and UK grew **18.5%**. Among emerging markets, Latin America grew **18.6%**, India grew **16%**, Middle East & Africa grew **16.3%** while Asia Pacific grew **6.9%**.

## Innovating for Greater Futures

Our outstanding performance this year, and the strong demand for our services that drove it, can be traced back to the innovation that enterprises scrambled to adopt at the start of the pandemic, to engage with customers digitally and to improve their operational resilience.

The cloud adoption trends strengthened further in FY 2022, with more clients embarking on multi-horizon cloud transformation journeys . However, the mindsets have changed. During the year, enterprises moved from thinking of technology-led innovation as a way of coping with pandemic challenges, to looking at it as a means of powering their growth and transformation (G&T), especially in the case of clients who had already moved their most critical workloads to the cloud.

While G&T initiatives tend to be business focused and technology agnostic, immense possibilities for business transformation open up once enterprises move some of their workloads to the hyperscaler cloud. This is triggering a wave of business innovation in the form of Horizon Two or Horizon Three initiatives by our clients.

In FY 2022, we won deals addressing a broad gamut of G&T objectives such as M&A, newer ways of working, product innovation, business model innovation and innovations around improved customer experience. We have been providing examples of these in our recent annual reports, including this year's report.

A new trend this year was the growing volume of sustainability-related innovation, a good indicator how this has become a top priority item on most CEO agendas. We have leveraged our deep expertise in IoT, advanced analytics, and machine learning to come up with a suite of offerings in this space, including intellectual property such as Clever Energy™, IP2™ and TCS Envirozone™. Clients across industries such as retail, manufacturing, utilities and consumer goods are engaging us to develop innovative technology-led solutions to reduce energy consumption, or to measure and track green-house gas emissions across their end-to-end supply chain, reduce their carbon footprint, reduce waste and promote recycling.

We are very proud of the steadily expanding number of G&T deals in our order book because each such win represents market share gain for TCS from legacy consulting organizations which have traditionally dominated this space. It is an outcome of our sustained investments in creating enabling capabilities within the organization, be it in cultivating contextual knowledge, or research and innovation, building intellectual property, deepening digital expertise, cultivating technology partnerships and building our brand.

The growing component of G&T revenue in our portfolio is also evidence that our differentiated, inside-out approach to transformation is resonating well with our clients. Our collaborative ways, and focus on harnessing collective contextual knowledge results in better buy-in for the transformation from stakeholders across the organization, setting it up for success. Our brand statement, `Building on Belief', has also found strong resonance in the market, instilling hope into business and trust in the enterprise.

## All-time High Order Book

All this is not to say that Horizon One spending, the investments that enterprises make at the start of their cloud journeys, while migrating to a new cloud-based

digital core, is coming to an end as a key demand driver. Far from it, we saw strong deal flow right through the year from Horizon One initiatives. The sheer scale, depth of consulting expertise and full-service capabilities of our dedicated business units on each of the three large hyperscalers, and the investments we have made in building a rich portfolio of accelerators and toolsets for automating application and data estate modernization and cloud migration give us a distinct edge in this opportunity.

Clients engaged us for some, or all, of the activities, starting from cloud assessment, business case preparation, roadmap creation, ERP consolidation and migration, application and data modernization and cloud migration. When core applications are re-engineered using cloud-native architectures, or on-premise ERP is moved to SaaS, it is not just a technology transformation but also a business transformation.

Such cloud transformation engagements are material, multi-year transformation engagements which when completed, result in resilient, future-ready digital technology stacks that enable leaner, more agile operations and very importantly, serve as a scalable foundation for their innovation and growth.

Partnering with our clients in this initial phase is important not only for the sheer volume of business involved, but also because it is a gateway to the unbounded opportunity that the downstream innovation and transformation represent. The granular contextual knowledge of our clients' business and technology landscapes, gained while executing Horizon One and other ADM programs, are critical for our ability to proactively pitch innovative ideas and solutions for their growth and transformation.

The other big demand driver was outsourcing of business and IT operations. There were three key reasons why enterprises outsourced more in FY 2022: the need to free up people as well as financial resources to execute their growth and transformation initiatives; talent scarcity especially in digital technologies, made worse by the Great Resignation; and the desire for leaner and more resilient IT and business operations. During the year, we saw many instances where clients engaged TCS to transform their operating models, and then manage those operations on their behalf.

Here too, our delivery model innovation, the Machine First™ approach, helped us win many large deals and gain share over pure play outsourcing companies. Our transformational approach embeds powerful technologies like machine vision, machine learning, and our AI-powered intellectual property such as ignio™ and Cognix™ into the core of our clients' processes, transforming the human-machine interface and delivering much leaner, faster and more resilient business and IT operations.

Throughout the year, these three trends – increased spend on innovation and transformation, cloud migration and outsourcing – drove a strong flow of deals of all sizes. The total contract value of deals signed in the first three quarters averaged between $7-8 billion per quarter, capped by an all-time high order book of **$11.3 billion** in the fourth quarter. The robustness of the deal flow at the close of the year becomes evident when even after excluding the two mega deals of roughly a billion dollars each won in Q4, the order book TCV in Q4 was $9.5 billion, which is also an all-time high. The full year order book was **$34.6 billion**, our highest ever, representing a book to bill ratio of 1.3.

## New Benchmarks in People Management

Our purpose-driven approach to business and our values have shaped TCS' culture and work environment. We believe in investing in our people and giving them opportunities to realize their full potential. We believe in decentralized decision-making, in empowering leaders on the front lines, and in providing them all the support they need in their journeys. We also believe in treating the organization as an extended family, and standing by each member in their hour of need. This was best demonstrated in our response to the brutal second wave of the pandemic at the start of FY 2022. We scaled up our employee engagement, provided hospitalization support and access to Covid care centers at our facilities in 13 cities and undertook a massive – possibly the largest of its kind, pan-India vaccination drive, covering over a million individuals – employees and their dependents.

This philosophy, and our progressive policies and work culture have resulted in a very strong employer brand, validated by several third-party assessments and accolades during the year. This played an critical role in helping your company cope with the industry-wide supply side challenges during the year.

To support the strong growth momentum in FY 2022, we flexed the strength of that employer brand to set new benchmarks and cross new milestones in attracting and managing talent at scale across the world. Our workforce crossed the half-million mark in the first half of the year, and we ended the year with a headcount of **592,195**, an all-time high net addition of **103,546** employees.

The workforce remains a highly diverse one, with over **153 nationalities** represented. We crossed an important diversity milestone this year, with the number of women in the workforce exceeding **200,000**. We are also making progress, slowly but steadily, in improving gender diversity in the senior management ranks. Through focused leadership development programs, the number of women senior executives has grown 84% over the last 5 years, significantly higher than the male cohort.

Organic talent development continues to be a key focus area in our journey to be a G&T partner to more of our clients. TCSers collectively logged **60.3 million** learning hours and acquired over **3.5 million** digital competencies in FY 2022. Very importantly, the number of Contextual Masters in the organization crossed **50,000** this year, **24%** of them women.

The year also witnessed a sharp rise in employee turnover across the industry. TCS' attrition in IT services (LTM) was **17.4%** in FY 2022. Despite the increase, your company stood out with the lowest attrition in the industry and remained the benchmark for talent retention.

## Community and planet

We continued to work with communities across the world, pursuing our long-standing commitment to programs in the areas of health, STEM education, skills development and the bridging of digital divides. These programs are scaling well in reach as well as depth of impact, touching the lives of over 1.7 million beneficiaries – women, youth and marginalized people.

To maximize the impact of our programs, we are now partnering with our customers in these initiatives. We engaged with 850 business leaders and teams, across 146 customer organizations and connected with over 50 government leaders on collaborative community efforts.

TCSers have also been quick to respond to the humanitarian tragedy in Ukraine, helping in rescue efforts, relief assistance, resilience support. To address the urgent needs of children, women, and those facing food insecurity, TCS is making a financial contribution of 1 million Euros to international humanitarian organizations like the UNICEF and the European Food Banks Federation which are helping support war refugees streaming into neighboring countries. We are also matching funds raised by employees, families, and their networks, up to 500,000 Euros, as donation to these two organizations.

On the environment front, we have good progress to report in our journey to become net zero by 2030 . Our absolute carbon footprint across Scope 1 and Scope 2 emissions reduced by **66%** over base year 2016 due to focused initiatives around energy efficiency and transition to renewable energy. We made a big leap on the latter, with use of renewable energy across TCS' global operations growing to **37.2%** of the total (15.6% in FY 2021).

## Looking Ahead

Our all-time high order book, continued deal flow and pipeline velocity give us confidence in the sustainability of our business momentum. We are in the midst of a multi-year technology upgrade cycle that provides strong, structural growth drivers for the next few years.

The geo-political tensions in Europe and the resultant impact on global economic growth are real threats. However, the pandemic has shown us that enterprise spending on technology is far more resilient than most people credit it for. It is central to organizations' ability to innovate and differentiate in good times, and to survive and adapt in tough times. While

evolving market dynamics may prompt reprioritizing of programs, we are confident that technology spending itself will continue to grow. That growth and our expanding market share give us confidence of being able to sustain a certain base case growth, with room to maximize in better years.

At our current pace of growth, it is only a matter of time before we double our revenues and hit the $50 billion mark. In our journey to that next logical milestone, we are focused on not only our velocity, but also on ensuring we get there fighting fit, so it does not become a finish line to stumble across, but a launchpad to achieve even greater heights. For this to happen we are focusing on two things.

One, we want to arrive at that milestone with a more balanced portfolio, with a much larger proportion of business transformation revenues, so we have two equally strong growth engines for the journey ahead. For this, we want to build on our initial successes in the G&T opportunity, and put in place a structured way to deepen existing innovation and transformation engagements, while expanding the number of clients for whom we provide such services.

Second, as we get larger, we shouldn't lose sight of what has brought us thus far – our customer centricity. Our success stems from the fact that year after year, our clients reward us with more work, and rank us #1 in customer satisfaction across all the service providers they work with. Our approach of putting the client at the center of everything we do, making them feel special, and investing in newer capabilities to create value in newer areas of their businesses, has paid us rich dividends. Regardless of how large we get, we want to make sure that our customer focus never wavers, and every client continues to feel just as valued.

We have rolled out a new organization structure that will help us achieve these two imperatives. It retains the atomicity of our earlier architecture, and its three dimensions – industry verticals, horizontal service lines and geography-based sales. We have now added a fourth dimension, the stage of the customer's relationship journey with TCS.

That journey begins when a client first signs up for some initial work. When we successfully deliver, they give us more work and that is how the relationship starts growing. As trust levels steadily go up, they start viewing TCS as a strategic partner and consolidate more and more of their technology requirements with us. That is how we have steadily grown and deepened relationships with nearly 60 clients globally who spend more than $100 million on us annually.

We have rearranged existing units into three business groups, each aligned to a particular phase in the customer relationship journey: the **Relationship Incubation Group** that will provide the high-touch, high engagement, delivery-focused model that new clients require; the **Enterprise Growth Group** which will do what today's TCS does best, that is, pull together capabilities from across the different service lines to stitch together solutions that address our clients' business needs when the relationship is in its hyper growth phase; and the **Business Transformation Group** that will manage our largest clients and help them accomplish their growth and transformation objectives.

As clients progress in their relationship journeys, the account ownership will seamlessly transition from one group to the next, with all three groups working in synchrony to make sure that every client gets a curated experience and that we steadily progress every client relationship to the highest level of maturity with TCS being their preferred growth and transformation partner.

This new purpose-designed organization structure, along with continued investments in building newer capabilities, next generation delivery models and assets that help our clients innovate at scale, and in building our brand, will help us deepen our customer relationships, expand our addressable market, gain market share and power growth in the years ahead. We thank you for your continued support in this exciting journey ahead.

Warm regards,

**Rajesh Gopinathan**
Chief Executive Officer and Managing Director

# The Year Gone By




Won a very large contract from **a Fortune 100 US company**, further expanding the long-standing partnership, to transform the technology at its global data centers into a future-ready, hybrid cloud stack for greater agility, flexibility, and improved operational resilience. TCS will also deploy a new cognitive-powered operating model to run that stack, to improve the availability of business applications and enhance user experience.

Selected by **Payments Canada**, the country's largest payment organization, to transform its payment system operations and help implement the Real-Time Rail (RTR), the new real-time payments system that will allow Canadians to initiate payments and receive irrevocable funds in seconds, 24/7/365. TCS will leverage its deep knowledge of the payments domain, and extensive experience in designing and implementing large payment systems for clients across the world to help Payments Canada create and execute an integration roadmap for the RTR.

Completed the fourth successful **share buyback** in five years, to the tune of **₹18,000 crore** at ₹4,500 per share, through the tender offer route, extinguishing 4 crore equity shares, representing 1.08% of the total paid-up equity share capital.

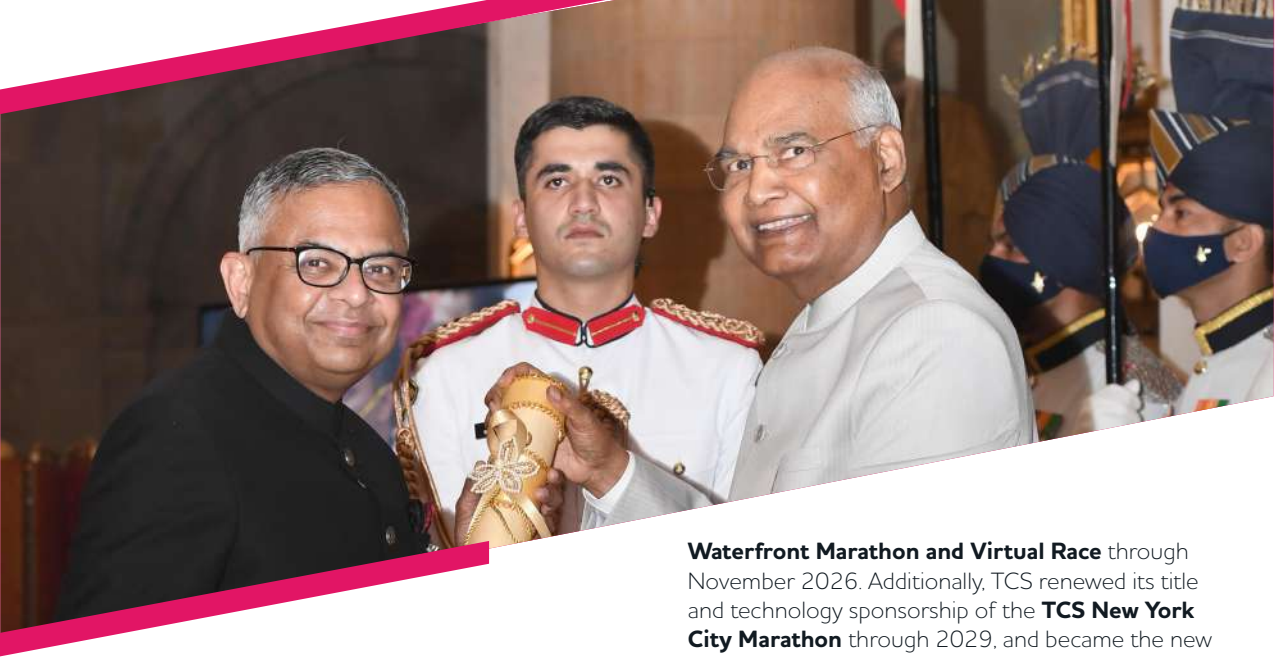
With three decades of experience in delivering market infrastructure solutions, TCS will be a valuable partner in the delivery of the Real-Time Rail. Testing and deployment is a critical step in the introduction of the new real-time payment system and we're excited to work with TCS to execute on this next step for the RTR as we help shape the future of payments in Canada.

**John Cowan,**
Chief Technology & Operations Officer, Payments Canada

Announced a **new organization structure** designed to provide a curated experience to each customer depending on where they are in the customer relationship lifecycle journey. Leveraging TCS' large and deep bench of leadership talent, the new structure further deepens the customer-centricity that TCS was always known for, and is expected to help make TCS the preferred growth and transformation partner to more of its clientele.

Announced plans to grow operations in **New Jersey** by hiring nearly **1,000** more employees by the end-2023 to meet the strong demand for digital transformation. This follows a similar announcement earlier, to expand in **Arizona** by investing more than **$300 million** by 2026 and hiring over **220 employees** by 2023. In both states, TCS will also grow the reach of its STEM and computer science education programs, expanding teacher training and student programs.

Became the **#2 most valuable brand** in the IT services sector globally, according to Brand Finance, the world's leading brand valuation firm. According to the Brand Finance 2022 Global 500 IT Services Ranking report, TCS grew its brand value by **$1.8 billion (+12.5%)** year on year, to **$16.8 billion** in 2021.



Tata Group Chairperson and TCS Chairman, **N Chandrasekaran**, was conferred the **Padma Bhushan**, the third highest civilian award in India, for distinguished service of high order in the field of trade and industry.

Ranked **#1** in **Customer Satisfaction** in the largest survey of European businesses by Whitelane Research, for the ninth consecutive year, covering 1,800 CxOs from top IT spending companies in Europe. TCS' Overall Satisfaction Score was 84% with the lead over the nearest competitor expanding to 4 percentage points vs 1 percentage point in the prior year.

Named the new title sponsor and official IT services and technology consulting partner of the **Toronto Waterfront Marathon and Virtual Race** through November 2026. Additionally, TCS renewed its title and technology sponsorship of the **TCS New York City Marathon** through 2029, and became the new title and technology sponsor of the **TCS London Marathon** for six years starting 2022.

Selected by the Government of India to drive the second phase of the pathbreaking **Passport Seva Program**. TCS will refresh existing facilities and systems, develop new solutions to enable issuance of e-passports and further enhance the citizen experience. In the first phase launched in 2008, TCS transformed the citizen experience at its nationwide network of Passport Seva centers. Setting global benchmarks in service quality, timeliness, transparency, and reliability, the Passport Seva program became an icon of Digital India and a source of national pride.

Recognized as a **Superbrand** in Singapore for the first time, following recognition as a **UK Superbrand** for the seventh consecutive year. The latter acknowledges the company's exceptional business growth, its position as the top strategic IT player by revenue in the UK, its number one ranking in customer satisfaction, and its community initiatives.

Launched **TCS' Cyber Defense Suite**—a comprehensive set of modular, quickly deployable cyber security services offered on a platform. Augmenting the 10,000 cyber-specialists and global network of Threat Management Centers that TCS uses to secure its customers globally, the new platform provides 360-degree visibility and predictive intelligence to proactively defend and respond against evolving threats.




Became **title partner** to Jaguar Racing ahead of the 2021/22 ABB FIA Formula E World Championship. The team will now be known as **Jaguar TCS Racing**. TCS will leverage its leadership in technology transformation and partnerships across the EV value chain to help Jaguar TCS Racing become a catalyst for electrification, promote low carbon emissions and sustainable mobility.

Q3

Celebrated a milestone with the number of women in the workforce crossing **200,000** in December. Women-centric leadership development initiatives have resulted in the number of senior women executives growing 84% over the last 5 years. The company is part of the **2022 Bloomberg Gender-Equality Index** that tracks the performance of public companies committed to transparency in gender-data reporting.

Launched the **TCS Assessment and Migration Factory**, a set of tools, accelerators, and services that enable customers to shift their mainframe workloads to the new **AWS Mainframe Modernization platform.**

Q2

Gained further market share in the UK, and was ranked **#1 by revenue** in the UK Software and IT Services Rankings 2021 by TechMarketView. The company performed very well in the rankings by sub-category as well, topping the Applications Operations category, and ranking #3 in Consulting and Solutions.

Launched **`Rebegin'**, an initiative to enable experienced women professionals who had taken a work sabbatical due to family commitments, to reclaim their careers and pursue their professional aspirations in TCS. Over 14,000 job applications were received under this initiative in FY 2022.

Launched **TCS Google Garages** at the TCS Pace Port™ co-innovation centers in Amsterdam, New York and Tokyo. These Garages provide an immersive experience for companies to evaluate TCS' cloud solutions, develop and prototype applications, apply analytics and artificial intelligence (AI) capabilities using design thinking and agile development to rapidly address business opportunities and create value using Google Cloud.

Partnered with the **Australian Energy Market Operator (AEMO)** to implement the switch from 30-minute settlement to 5-minute settlement in the national wholesale electricity spot market. The shorter settlement window, enabled by a cloud-based solution designed by TCS, is expected to provide a better price signal for investment in faster response technologies, such as batteries and gas peaking generators.

Continued to be the preferred transformation partner to market infrastructure institutions, with **TCS BaNCS for Market Infrastructure and Custody** solutions powering the operations of over 50 market-critical institutions across 66 countries.

*Entered into a new partnership with **Dutch Open**, one of Europe's most innovative and sustainable golf events. TCS will leverage its expertise in digital technologies to help the Dutch Open enrich participant and spectator experience.*




Selected by the **Multi-Commodity Exchange India Ltd (MCX)** as its technology partner for Project Udaan. TCS will help MCX build a new technology core, transforming its trading as well as post-trade functions, to support its future growth and further strengthen its leadership position in the commodity derivatives market in India.

The investments in innovation and strong market traction demonstrated by TCS' cloud units won several partner awards. TCS was named to the **Microsoft Business Applications 2021/2022 Inner Circle**, and also awarded two **2021 Microsoft Partner of the Year** Awards. Similarly, TCS was named the **2020 Google Cloud Breakthrough Partner of the Year** for outstanding results across sales, delivery, competency development, expertise, specialization badges, and growth of its customer base.

Q1

Inaugurated **TCS Pace Port™ Amsterdam**, a co-innovation and advanced research center where TCS teams will co-innovate with European customers, drawing on an ecosystem of partners from academia, government institutions, start-ups and technology providers. The center will enable ideation and rapid prototyping with a clear focus on finding and creating sustainable solutions.







The ninth season of **TCS CodeVita** attracted **136,054** participants from **34** countries, winning it a **Guinness World Records™ title** at the world's largest computer programming competition. College students from around the world competed in solving complex programming challenges over an intense six-hour period, to win cash prizes and be ranked among the top student programmers globally.

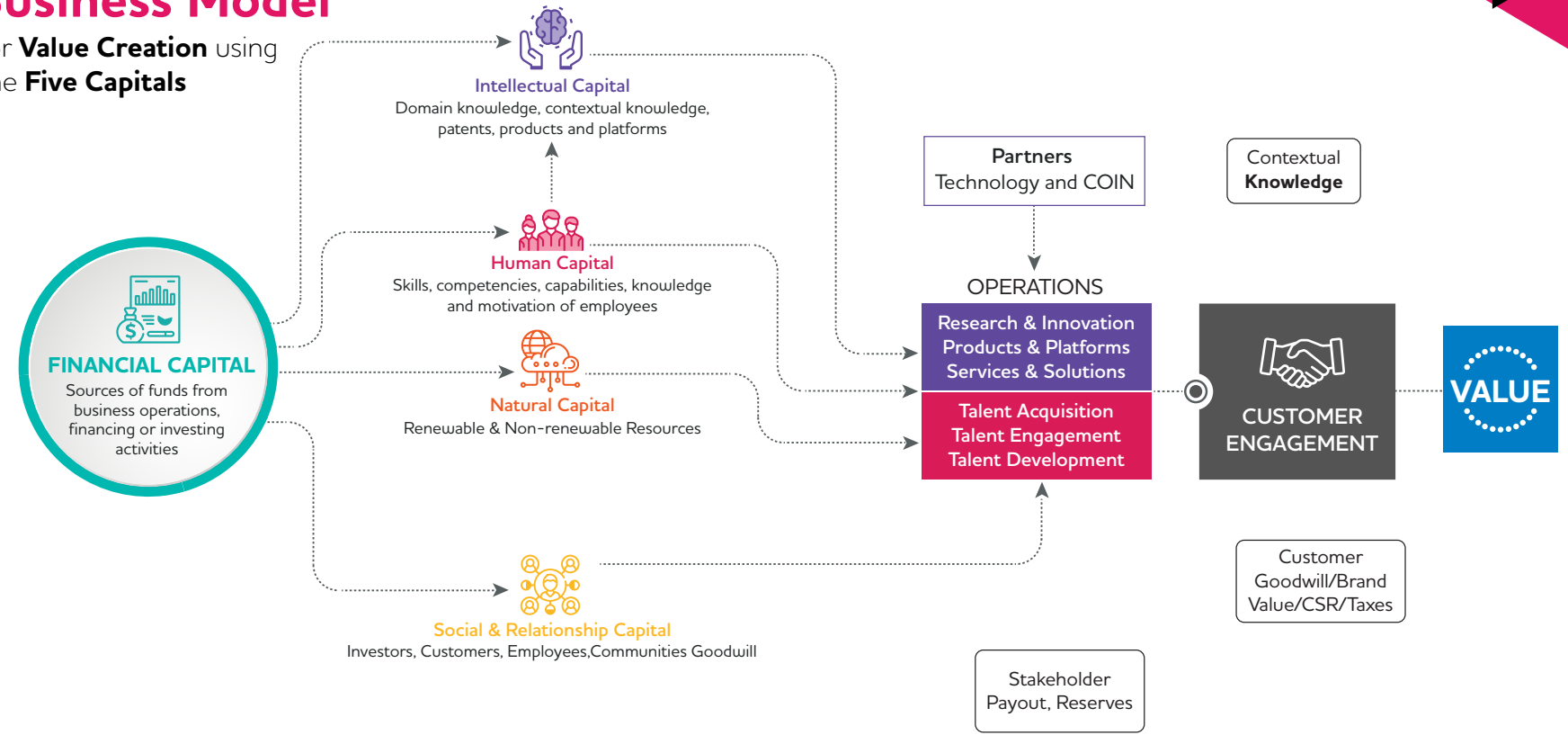
**Samir Seksaria** took over as the company's **Chief Financial Officer** on May 1, 2021, following the retirement of V Ramakrishnan (`Ramki'). He started his career in TCS in 1999. He moved to Corporate Finance in 2004 and played a critical role in the company's IPO. Prior to becoming CFO, he headed the financial analytics, planning and business finance functions. On November 1, 2021, **Pradeep Manohar Gaitonde** stepped in as the **Company Secretary** in place of Rajendra Moholkar who retired.




Launched a **pan-India vaccination drive** against Covid-19, covering TCSers and their families, across all TCS locations as well as smaller cities that some employees were remote-working from. The TCS Vaccination League benefited 1.2 million individuals and resulted in over 87% of employees in India getting fully vaccinated and 95% receiving at least one dose.

# TCS' Integrated Business Model

for **Value Creation** using the **Five Capitals**



# Financial Capital

The 25-fold revenue growth over the last 20 years is a testimony to the strength of our business model and our ability to reinvent ourselves in an ever-evolving technology landscape to stay relevant to our customers while remaining focused on creating value for all our stakeholders.

## Outcomes

- Best in class profitability and strong balance sheet provide greater ability to invest in newer capabilities and to weather economic downturns, macro uncertainties
- Consistently high shareholder returns enhances social and relationship capital

## Economic Value Generated and Distributed[1]



**₹ 191,754 cr**

**+ 16.8%**

Economic value generated

Economic Value Distributed



**₹ 107,554 cr**

**+ 17.1%**

Employee cost



**₹ 35,747 cr**

**+19.6%**

Other cost of operations



**₹ 13,238 cr**

**+ 15.5%***

Tax expense



**₹ 855 cr**

**+ 16.0%**

Community Investments



**₹ 2,242 cr**

**+ 17.0%**

R&D and innovation including innovation center development



**₹ 38,010 cr**

**+ 12.2%**

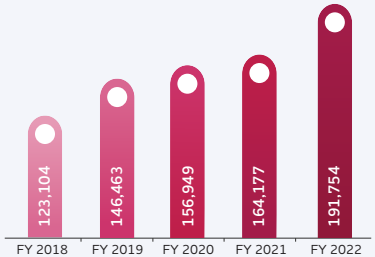
Shareholder payout including unpaid final dividend, Buyback and taxes

[1] GRI 201-1

* Excluding provision towards legal claim in prior year

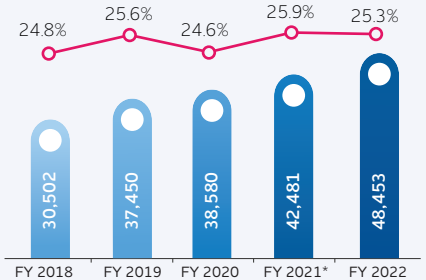
## Financial Highlights

### Revenue Trend
CAGR 10.2%



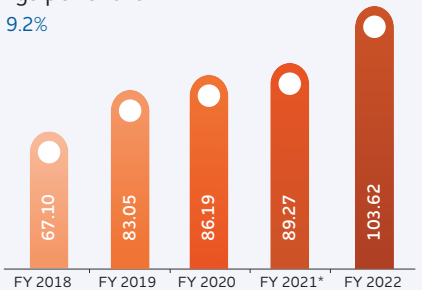

(₹ crore)

### Operating Profit Trend



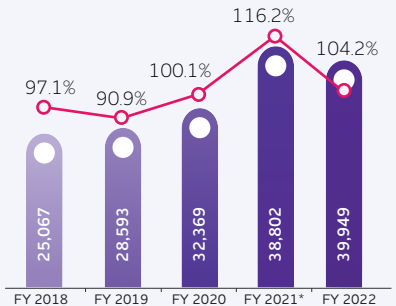

(₹ crore) Operating Profit Operating Margin

### Earnings per share ^
CAGR 9.2%



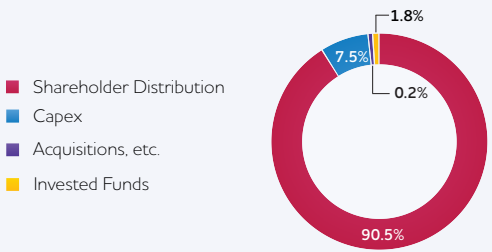

(Amount in ₹) ^ Earnings per share is adjusted for bonus issue

### OCF and Cash Conversion



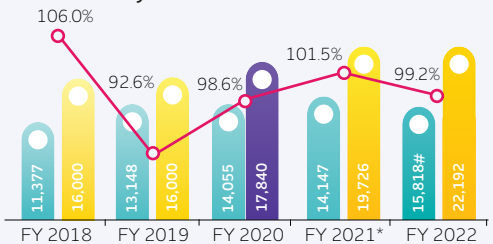

(₹ crore) Operating Cash Flow (OCF) OCF to Net Profit Ratio

### Cash Usage#




# Cash usage for the period FY 2018 to FY 2022

### Shareholder Payouts




Dividend Special Dividend Buyback including tax Shareholder Payout ratio (Including special dividend and buyback, including tax)

(₹ crore) # includes proposed final dividend

* Excluding provision towards legal claim

# Human Capital

## Best in Class Talent Management[1]

**592,195** Employees

**Workforce**
Globally distributed highly localized

**103,546** Employees

**Net Addition**
Highest ever

**17.4%** LTM attrition in IT services

**Talent Retention**
Best in the Industry

## Talent Diversity and Inclusion[2]

**153** Nationalities

**3** Generations
**88%** Millennials

**210,000+** Women
**35.6%** of workforce
**84%+** Increase in senior women executives over last 5 years
**678** Women patent holders

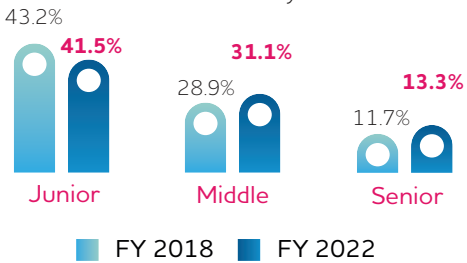
### Rebegin

New program for women seeking to rejoin work after a career break

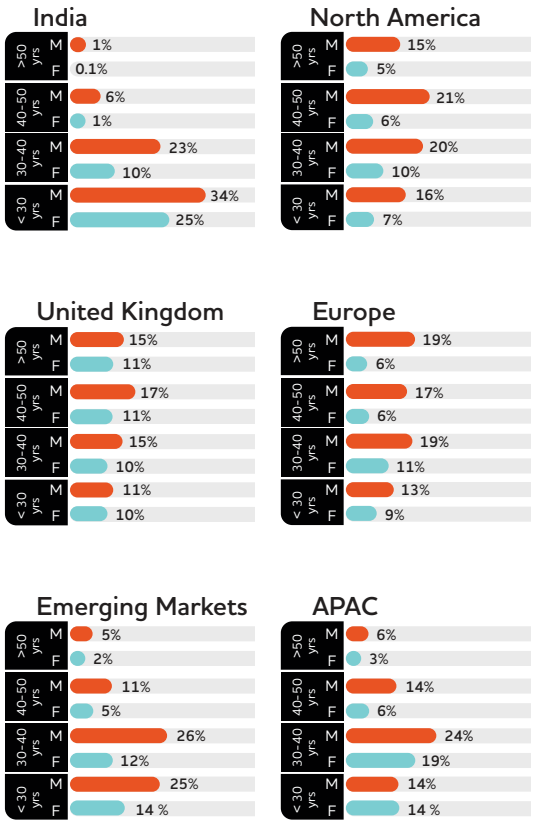
**14,000** job applications received

### Rising up the ranks

% Women improved at mid- and senior levels over last 5 years




## TCS Employees by Region, Age and Gender[2]




[1] GRI 401-1, [2] GRI 405-1

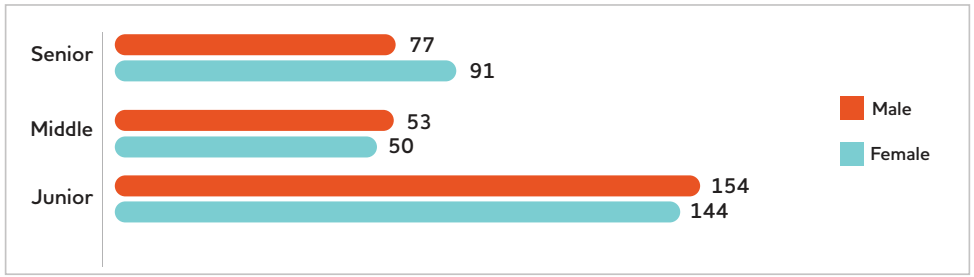
## Talent Development

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

**3.5 million**
Digital competencies acquired

**171,000**
Employees deep skilled

### Average Learning Hours per employee[3] 121 hrs




**TCS Elevate**
Linking learning to career growth

**13,000**
Employees identified as high talent, with higher pay

**Contextual Masters**
Talent with potential to be tomorrow's G&T leaders

**50,000** CMs
**+169%** YoY
**24%** Women

**Fresher Training**
Xplore foundational virtual training with certifications, daily webinars, weekly assessments and gamified contests

**100,000+**
trainees onboarded.
The highest ever

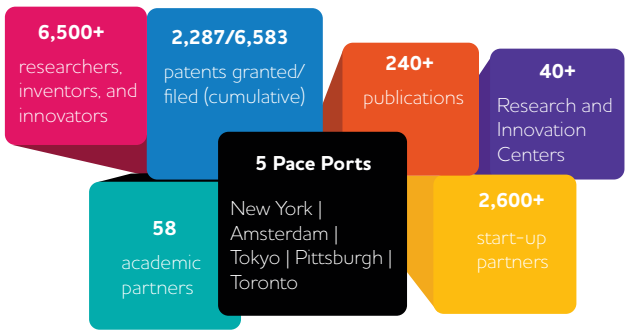
[3] GRI 404-1

# Intellectual Capital

The company channelizes its research and innovation efforts and outcomes towards building better futures through two external facing brands:

- **TCS Research** produces foundational inventions that impact industry and society.
- **TCS Pace™** brings the best of TCS' intellectual content, innovation assets, capabilities, and practices to clients.

## Highlights:




## Four dimensions of TCS' Research and Innovation:

### Innovation in the Core Business:

Continuous creation of innovative new solutions in the core business, delivering incremental benefits using existing capabilities in areas like cloud, code, data and cybersecurity. Also includes newer functionality in existing products and platforms, or their replatforming onto hyperscaler clouds. Eg: TCS Mastercraft™, Jile™ 4.0, TCS BaNCS Marketplace

### Technology-led innovation

Use of emerging technologies to enable seamless human-machine collaboration and transform the client's way of doing business. Eg: Algo Retail suite (TCS Optumera™, TCS OptuniqueTM and TCS Omnistore™), TCS ADD™, TCS TwinX™, Sustainability solutions (TCS Clever Energy™ and TCS Envirozone™), Quartz™

### Business and Ecosystem-led Innovation

Leverage of domain and contextual knowledge, research outcomes and TCS COIN to connect ecosystems and transform industries. Eg: TCS Cognitive Plant Operations Adviser (CPOA), TCS' DeXAM, TCS Aviana™, TCS HOBS ™

### Blue Sky Innovation

Long-term investments in futuristic areas of research to address customers' needs that are not yet realized. Includes: cognitive robotics; quantum computing; next-generation communications technologies. Other research topics include sensing, digital twins for social systems, efficient and robust AI & deep learning, metagenomics, immersive technologies, sustainability, generative design for materials, manufacturing & life sciences, and personalized nutrition and medicine.

## TCS Suite of Products and Platforms

### TCS BaNCS

- 22 new wins (50% of the new wins were on TCS BaNCS Cloud) and 16 go lives in FY 2022
- Highlights:
  - Services more than 35% of the world's banking population
  - More than 100 million transactions run on TCS BaNCS Cloud daily
  - Records 10 million new trades per day (peak) across 100+ countries
  - Offers ready market connectivity to 45+ local markets for settlements
  - Services over 20 million life, annuity and pension policies and 135 million property and casualty policies across the globe

### ignio

- World leading cognitive automation software for IT and business operations
- 100+ deals closed in FY 2022, 27 new customers went live
- 11,500+ ignio trained professionals, 4,100+ ignio certified professionals till date
- 35 patents granted to date

### TCS iON

- Onboarded 700+ corporates to enable job outcome linkage through TCS NQT
- Conducted ~45 million in-center and ~2.9 million remote assessments at national and regional scale
- 110+ new wins in India and 15 in international market
- Launched 250+ learning offerings (NQT variants, Certifications/Courses, Games), in latest tech. domains such as AI/ML, Big data, Data Mining/Analytics; banking & finance domain and in manufacturing sector in partnership with NTTF, ICA, and Tata Strive
- Highlights:
  - 268 million candidates assessed till date; largest in-center assessment with 18.9 million candidates
  - 36.5 million remote assessments done
  - 10.4 million learners on the platform, 79,801 courses available, 909 clients
  - ERP on cloud: 896 clients in manufacturing
  - 136 patents filed till date; 37 granted

### ADD

Digital Advantage for Life Sciences

- Comprehensive suite for digital transformation of drug development and clinical trials
- Clients include 10 of the Top 12 global pharma companies; total number of clients: 19
- 700+ clinical trials supported by TCS ADD Platforms till date, Implemented across 50,000+ sites across the world.
- 3 new wins and 1 go live in FY 2022

### TCS HOBS™

- Plug and play SaaS based business platform to digitally transform business, network and revenue management domains of subscription-based businesses
- 2 deal wins in FY 2022

### TCS Optumera

- AI and ML powered merchandise optimization platform that enables retailers to unlock exponential value by optimizing their space, mix and price in an integrated manner.
- 1 new win and 3 go-lives in FY 2022

## TCS TwinX™

- AI powered system of actionable intelligence – powered by an enterprise digital twin (customer, product, process) to help business leaders simulate and optimise enterprise decisions, predict and proactively manage outcomes
- 20 new wins and 9 go-lives in FY 2022
- TwinX Business Highlights:
- Risk Free Experimentation Users: 5000+
- Number of End- Customer Orders Processed: 33 Mn
- Number of Digital Twin transactions: 10 Mn
- New Product Ideations: 20
- Safety Twin ensures zero harm workplace/ saves precious human lives in hazardous anufacturing facilities
- Launched in Google Cloud in Oct 21

## TCS OmniStore™

- AI powered unified commerce platform that can flexibly orchestrate unified omnichannel customer journeys and help businesses roll out new services and apps quickly without having to worry about channel constraints. It can serve diverse lines of business – general merchandise, discount, specialty, fashion, restaurant, post office, telecom, and travel and hospitality industries.
- 3 new wins and 5 go-lives in FY 2022

## TCS MasterCraft™

- Digital platform to optimally automate and manage IT processes
- FY 2022 Highlights: 46 billion records processed for data privacy, 8.2+ billion Records processed for data quality, 8.8+ million lines of code (mloc) analyzed, thus helping clients get the right insights from legacy code and automate the business rules extraction with an overall productivity improvement of 20% - 30%, 3.4+ mloc of high-quality Java and JavaScript codes generated, resulting in 50% more productivity in development
- 27 new wins in FY 2022

## Jile

- SaaS-based, scalable Agile DevOps platform to accelerate software development and delivery and integrate DevOps tools
- 13,000+ active users till date

## QUARTZ

- Intelligent smart contract development toolkits, Integration solutions and 'Designed for DLT' business solutions that provides foundational technology, tools and business components for creating distributed ledger solutions across varied industries
- Built on the core principles of co-existence, integration and interoperability. Quartz enables existing systems to coexist and integrate with blockchain platforms and other messaging networks
- 7 new wins in FY 2022

## Social Good



TCS Research collaborated with **Prayas Help Group** to develop a digital twin of Pune city to predict the spread of the pandemic and help devise local strategies to control it.



TCS' inventors and innovators continued to mentor young social entrepreneurs as part of TCS Foundation's **Digital Impact Square (DISQ)**. Over 30 start-ups are currently under various phases of incubation and graduation under DISQ. Prominent themes around which social challenges are being addressed include AgriTech, Assistive Tech, Citizen Services Tech, EduTech, HealthTech and Sustainability Tech.

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

# Relationship and **Social Capital**

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

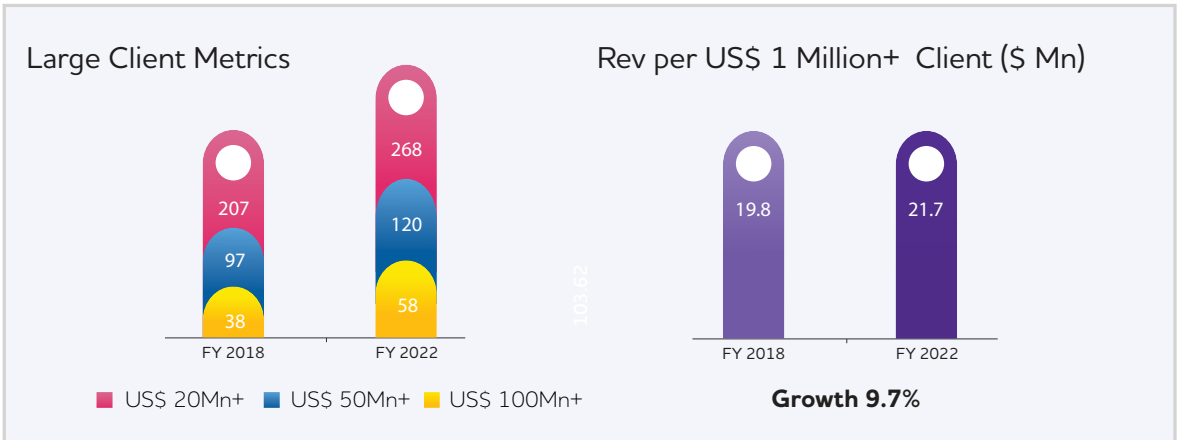
## Customers

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

## Outcomes

- Expanding participation across broad range of stakeholders across the enterprise including business heads, CMOs, CROs, COOs, CFOs and even CEOs
- Continual expansion of customer relationships in terms of services consumed
- Highly satisfied customers



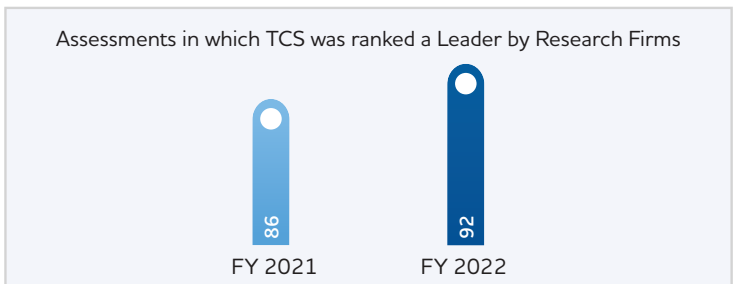
## Investors

TCS is seen as a benchmark in its outreach to investors, its transparency and disclosures, publicly communicating its longer-term strategy, qualitative aspects of the demand outlook, risks and opportunities, reducing information asymmetries and enabling fair valuation of the stock. For the last many years, it has been awarded the Best Investor Relations award by publications like Institutional Investor, FinanceAsia and AsiaMoney based on polls of investors and analysts in the region.

**Investor and Analyst Interactions in FY2022**

| Particulars | Q1 | Q2 | Q3 | Q4 | FY 2022 |
|---|---|---|---|---|---|
| **Total interactions** | 152 | 275 | 243 | 186 | **856** |
| **Total number of hours spent** | 45 | 53 | 42 | 34 | **174** |

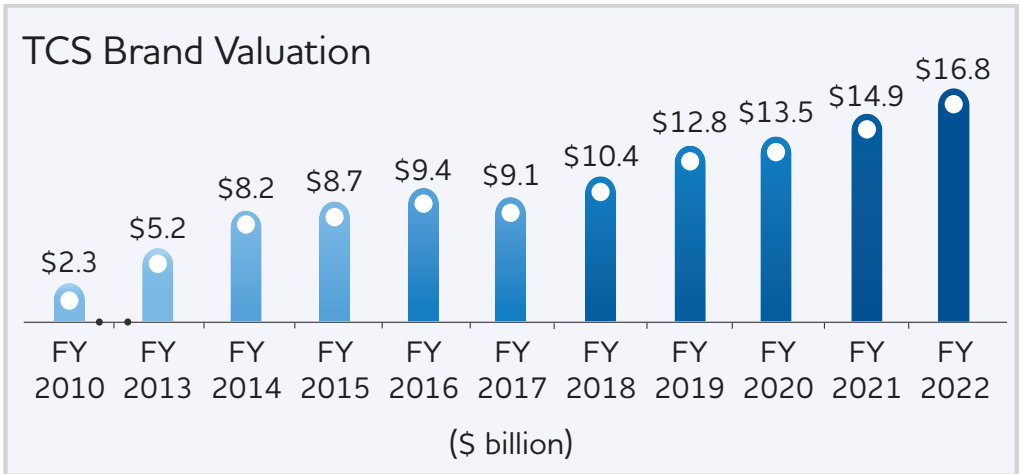
## Analyst Relations




## Branding

TCS' reputation for customer-centricity, domain depth and execution excellence have made it the preferred growth and transformation partner to leading corporations across the world. It is also recognized as a top employer brand across the major markets it operates in, including North America, Europe, UK, India, Latin America and Australia, among others.

Its tagline `Building on Belief' along with marketing campaigns, sponsored events and advertising, along with the goodwill built up with investors, with local communities, academia and other stakeholders have cumulatively helped put TCS among the Top 2 brands in IT services by brand value according to Brand Finance.




Source: Brand Finance

# TCS rose to be the second most **Valuable IT Services Brand**

Brand Finance Awards



**Jaguar TCS Racing 2022**



**TCS Toronto Waterfront Marathon 2022**



**TCS Europe Summit 2022**

## **Awards** & Recognition

#1 IN CUSTOMER SATISFACTION 2020/21 EUROPE

LinkedIn TOP COMPANIES 2022

top EMPLOYER NORTH AMERICA 2021

top EMPLOYER GLOBAL 2020

ASIA'S OUTSTANDING COMPANIES POLL 2020 ASIAMONEY

CIO 100 WINNERS 2020

STEVIES 2020

FinanceAsia ASIA'S BEST COMPANIES 2020

DIGITAL IMPACT AWARDS WINNER

HR AWARDS 2020

FTSE4Good

KANTAR BRANDZ 2021 MOST VALUABLE GLOBAL BRANDS

AWARDED Superbrands BRITAIN'S CHOICE 2020

AWARDED Superbrands AMERICA'S CHOICE 2020

2022 Brand Finance Awards TOP 2 MOST VALUABLE IT SERVICES

# Natural Capital

TCS is in a unique position to combine its heritage of purpose along with digital leadership and innovation to drive its own journey to more sustainable outcomes, as well as partner with customers, civil society and governments to lead and shape solutions towards the achievement of the UN Sustainable Development Goals.

## Energy Management and GHG Emissions Reduction

**Target: 70%** reduction of Scope 1 + 2 emissions by 2025 (vs base year 2016) and **Net Zero** by 2030

- Prioritized energy optimization and carbon footprint mitigation.
- 89% of emissions across Scope 1 and Scope 2 due to purchased electricity for office blocks.
- Use of Clever Energy to optimize energy consumption and greater use of renewable energy.
- 5 large campuses in India certified with ISO 50001: 2018 standards for Energy Management Systems (EnMS).




## Achievements

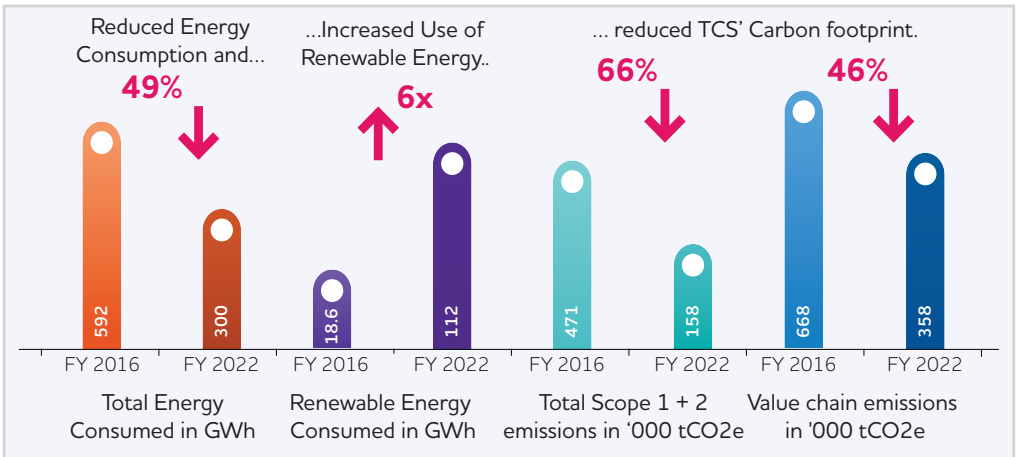
**64.4%**
% Total office space (for India) as per IGBC standards

**1.65** PUE
Energy efficiency initiatives at TCS data centers in Mumbai and Chennai

**10.2** MW
Rooftop solar capacity across campuses

**37.2%**
Renewable electricity as % of total electricity consumed

## Outcomes




**Scope 3 emissions**
Employee commutes and business travel cause **~50%** of these value chain emissions. Remote working and reduced business travel resulted in a sharp reduction.

## Water Conservation

**Target:** 3% YoY reduction in freshwater consumption across owned campuses

Initiatives include conservation, sewage treatment & reuse, rainwater harvesting (RWH) and employee awareness. All new campuses have been designed for 50% higher water efficiency, 100% treatment and recycling of sewage, and rainwater harvesting.

**1.44 Bn**
Liters of fresh water consumed in FY 2022

**5.2%**
Water from RWH; 86.4 % from third party sources; 8.4% from ground water

**84%**
Recycling of sewage generated (for India)

## Waste Reduction & Reuse

**Target:** Reduction in waste generation, maximizing recycling/ reuse to divert waste sent to landfill

**100%**

Recycling of regulated wastes, e-waste, printer cartridges, paper, packaging and plastics.

**Biodiversity** conservation and enhancement initiatives within TCS campuses.



# Partnering with Takeda to Innovate at Scale

Takeda, the global biopharmaceutical giant, is on a digital transformation journey to innovatively use technology to create better experiences and outcomes for patients, providers and payers. This means innovating continuously on not only in core drug development but also in behind-the-scenes areas such as manufacturing, procurement, shipping and distribution, to make sure that Takeda's life-saving therapies reach more patients, faster.

Takeda partnered with TCS to develop an agile model that would enable the creation of new digital assets in a rapid and repeatable fashion. Leveraging TCS Pace™, a philosophy and framework for innovation at scale, TCS helped Takeda envisage an innovation factory delivery model called Enhanced Digital Global Experience (EDGE).

Departing from the traditional business analysis and design-build-test linear project life cycle, EDGE embraces co-creation, cross-functional collaboration, and continuous business-driven iterative innovation. Leveraging cloud technologies, design thinking, and location independent agile software development to provide an end-to-end product development capability, TCS is helping Takeda transform the way it launches digital products and services across its operations. A few examples:

- TCS helped build a drug substance optimization solution that uses machine learning to help supply planners optimally allocate the raw materials for drug production, leading to a reduction in raw material scrappage and an additional amount of doses produced annually.
- A mobile track-and-trace app was built to provide real-time visibility of product consignments for a newly launched product with a very short shelf life.
- A product was developed to help decision makers evaluate various transportation and shipping scenarios to optimize on time and cost of shipments while reducing carbon impact.
- A controlled substance control tower was built to provide a single view of permits and visualization of risks associated with the global movement of controlled substance drug products.

By partnering with TCS to scale up its innovation efforts using BizDevOps, Takeda has accomplished much in the short time since EDGE was implemented. The new innovation factory has released 12 products across over 40 design sprints at the peak of the pandemic, evaluated over 40 potential use cases and reduced the time-to-market for new digital products and services by 50% - a benchmark for organizations looking to embrace innovation at scale.

> We have developed a deep partnership with TCS to set up and run an innovation factory that's developing digital products and services across Takeda. This model centralizes domain expertise, design thinking and lean agile product development as part of an end-to-end capability that is driving digital transformation across our global supply chain. TCS is helping us embrace innovation at scale, and use the power of emerging technologies to transform our business.
>
> **Hansjoerg Magalhaes**
> Global Product Manager
> ERP Commercial and Supply, Takeda





# Co-Innovating with Bovemij to Fulfill its Mission and Drive Growth

For the last 60 years, Bovemij has been providing a variety of insurance services such as auto, fire, legal assistance, financing and other business services to mobility companies – vehicle dealerships, fleet owners, and service centers – in the Netherlands to help them compete successfully in the marketplace.

To keep fulfilling its mission of helping this ecosystem stay competitive in a digital world, Bovemij partnered with TCS to realize its digital strategy to expand the ecosystem and bring in a richer set of offerings that ecosystem participants could use to connect better with digital native consumers.

TCS leveraged its Pace Innovation Architecture and Pace sprints to jointly ideate and create unique, viable and feasible business propositions for the ecosystem which would be offered through a new Digital Mobility Platform that would connect Bovemij's mobility partners with consumers in a B2B2C model across the Netherlands.

TCS also set up a digital innovation factory, for repeatable agile innovation at scale, to take each of the business propositions and deliver them to market at speed. A minimum viable product was put together in six weeks, with relevant user stories to demonstrate outcomes and gain acceptance of internal and external stakeholders.

In addition to providing access to its full set of offerings to its regular B2B partners, Bovemij's new cloud-based Digital Mobility Platform is also enabling new B2C propositions – offered on a subscription basis – for its partners, to sell better to consumers while embedding its insurance and other offerings into those transactions. Other propositions seek to benefit the ecosystem as a whole. For example, consumers can sell their used cars on its portal, which mobility companies can bid for. Data from these consumer interactions are being harvested for further actionable insights for use by Bovemij's various business lines and other ecosystem partners.

Co-innovating with TCS is enabling Bovemij leverage the power of the ecosystem to offer innovative propositions to its partners and their consumers, carve out a new brand identity for itself in the market, create new revenue streams and drive growth.

Bovemij is committed to help the mobility ecosystem thrive in the digital world. We selected TCS as our partner to help us realize our digital strategy because of the co-innovation architecture and agile practices that they already had in place. Using that, we could jointly visualize the platform and the various business propositions, and rapidly build out each such proposition. Their expertise, creative ideas and agile ways helped us get our platform up and running much faster than we had anticipated.

**Marcel van de Lustgraaf**
Member of the Executive Board
Bovemij

# INNOVATING FOR GREATER FUTURES:
## A PANEL DISCUSSION

**Why are enterprises accelerating their investments in innovation? How does TCS help enterprises innovate for greater futures?**

**Ananth:** The initial trigger for this acceleration was the need to build resilience into the technology and business context of every enterprise. The next trigger was the adaptation required to compete in many contexts created by digital business models. Finally, as enterprises are moving into a post-pandemic world of new risks, challenges and opportunities, a more strategic, purpose driven strategy is driving innovation.

These factors are driving enterprises to develop a wide and deep innovation capability, which can scale. This is not easy. Most have found it difficult to measure up on both scale and speed. Smaller competitors may offer a non-stop stream of innovations. Large enterprises often struggle to innovate at that pace on their own, for lack of processes, toolsets and also sufficient dedicated bandwidth

Partnering with TCS can help them overcome all these issues. We help them create a strategic agenda using our tools and methods, especially our 'Clay Map', named so in honor of the late Clayton Christensen who greatly influenced our thinking on innovation. We also offer the TCS' Agile Innovation Cloud, a framework for operationalizing innovation at scale, which ensures that innovation does not happen by chance but by design. It brings together the best of TCS' innovation, global capabilities, ecosystem partnerships, and talent to help our clients define their strategy, create an innovation portfolio and scale the execution of innovation.

Our clients tap into our contextual knowledge of their business and technology landscapes, when they jointly ideate with our teams. They work with our start-up and academic partners at our Pace Ports™ to harvest many more innovation candidates than on their own. We then jointly design and build 'minimum viable products' of the most promising ideas in Agile 'Pace Sprints'. At a larger level, we help clients create a



### Featuring

**K Ananth Krishnan**
Chief Technology Officer

**N G Subramaniam**
Chief Operating Officer

**Krishnan Ramanujam**
Global Head – Enterprise Growth Group

repeatable process which can significantly scale up and speed up their innovation.

A good example of this is the innovation factory we have set up for Takeda[1] . Using cloud, design thinking, and location independent agile methods, our combined teams are taking up innovative ideas across procurement, logistics and finance, and building innovative digital assets at twice the velocity.

**Krishnan:** The three broad themes around which we saw our clients innovate the most were growth and transformation (G&T), resilience, and sustainability. We have been making significant investments in creating capabilities strategically relevant to each of these themes, some of which we have described in our prior years' annual reports as well.

G&T is most often about expanding organically or inorganically into adjacencies, be it of products and services, or customers and markets, and occasionally, moonshots. Good examples are our transformational engagements with clients like Swiss Re, Bovemij and RS Components described in our FY 2022 annual report[2], or the work we have done for Bayer, Damen Shipyards and Toyo Tires described in prior years' annual reports.

We have been leveraging our deep contextual knowledge of our clients' businesses, extensive industry knowledge and experience, our rich portfolio of intellectual property, digital engineering expertise and our differentiated inside-out approach to transformation to help bring their G&T visions to fruition.

Underpinning our work in G&T are our key innovation pillars – our Pace Ports™, the TCS Co-innovation Network (TCS COIN™), research collaborations with leading academic institutions, `Future of Business' frameworks, W12 design studios, and our products and platforms like TCS BaNCS™, Optumera™, Optunique™, ADD, ignio™, Bringing Life to Things™, Cloudonomy™, and Cognix™ among others.

The second big theme is resilience, which is the ability to weather foreseen as well as unforeseen emergencies. In these last two years, many of our largest deal wins were around transforming clients' IT and business operating models, and their supply chain management processes, using ignio or TCS Cognix to embed intelligent automation for greater resilience and agility. Much of the rush to embrace the cloud in the early months of the pandemic was also driven by this need.

Lastly, we saw clients focus heavily on sustainability in FY 2022, particularly around carbon footprint reduction. Our investments in innovative digital solutions such as Envirozone™, Clever Energy™ and IP2™, and our expertise in cloud, data and analytics, AI and ML are helping us win more and more of such engagements, helping us amplify our contribution to the worldwide collective effort to mitigate climate change and build greater futures.

What we have observed is that as soon as enterprises simplify their IT landscapes and build a new, cloud-based digital core, supporting micro services in a cloud native environment, their ability to realize innovative ideas and deploy them in production shoots up.

**Aren't large enterprises also constrained by their legacy technology stacks? How do they overcome that challenge?**

**NGS:** I call them heritage. They have been around and doing a good job of running their businesses in a way that encapsulates their organization's processes, checks and balances. Most organizations have worked to build APIs or middleware that enable their digital strategies, though they are suboptimal.

What we have observed is that as soon as enterprises simplify their IT landscapes and build a new, cloud-based digital core, supporting micro services in a cloud native environment, their ability to realize innovative ideas and deploy them in production shoots up. They are able to anchor or participate in ecosystems at will, which drives growth and innovation.

[1] Page 33, [2] Pages 41, 34 and 45 respectively

You may recall the scalable, customer-centric digital operating model we built for the Phoenix Group, using TCS BaNCS[3] . Our platform is extensible, supporting the required APIs and microservices for them to leverage fintechs and our TCS COIN partners to enable the differentiation in the front.

**Krishnan:** We see this same dynamic with the broader set of clients who undertake Horizon One cloud transformations. Besides enhanced ability to integrate innovative new solutions into the core, their appetite for innovation itself goes up. The richness of the technology capabilities built into today's hyperscaler clouds triggers more innovative thinking and the desire to experiment with those powerful technologies to reimagine different aspects of the business.

Another challenge that large enterprises face is the need to invest for the longer-term growth of their businesses, without disrupting near-term financials. TCS helps them square this circle by providing a line of sight for funding the innovation pipeline or the transformation by helping optimize operations.

We work closely with the client to reimagine parts of their IT and business operations, or perhaps their IT infrastructure, using our Machine First™ approach. The resultant operating models are leaner, more agile and more responsive. This frees up inhouse talent to take up the more exciting innovation and transformation initiatives. One large US client of ours for whom we are building a new, cloud-native digital platform to support their business forays into adjacencies, calls it their `save to invest' strategy.

[3] Integrated AR FY 2021, Page 22

**How do you see clients' transition from Horizon One to Horizon Two spending affect your growth? Will there be a slump and subsequent recovery?**

**Krishnan:** The term multi-horizon may suggest clearly delineated, sequential phases but in reality, clients don't wait to complete Horizon One, that is, migration of all their workloads to the cloud before commencing their Horizon Two initiatives. These progress concurrently.

Even as existing workloads are migrated to the cloud, newer cloud-native systems are built to enhance customer experience or to drive product or business model innovation. That is how we have been able to give examples of G&T engagements being executed as part of Horizon Two investments in our quarterly earnings calls, even though we are still in the middle of the Horizon One opportunity.

We expect the transition to be a seamless one. Horizon One is a bounded opportunity and will plateau at some point when most of the workloads are migrated. By that time, the other two horizons, which are boundless opportunities would have scaled up and will support our future growth. All our investments into building our G&T capabilities, our branding and the new organization structure are geared to help us maximize our participation at that point.

**In the last couple of years, the industry has seen deal sizes reducing. What is driving that?**

**Is that why smaller companies are growing faster? Also, is that why you adopted a new organization structure?**

**NGS:** Our order book has had a good mix of small and medium projects, as well as large outsourcing and transformation deals in FY 2022. This mix is important for our short and long term business growth. Projects are increasingly executed using Agile methods. The focus here is to deliver 'speed to value' by structuring the program over multiple monthly sprints. Here clients are more comfortable structuring the contracts with short tenures. The rise in the number of short tenure deals is linked to the growing share of such work in our order book.

On the outsourcing front too, average deal tenures have come down on the heritage stacks. That is because enterprises are in the midst of a technology transition. As clients migrate to the cloud, their legacy

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infrastructure, application and data estates will eventually be replaced, re-engineered, re-platformed or retired. Given the desire to get this transformation done rapidly, they are outsourcing the run and change of the existing portfolio for relatively shorter tenures and hence lower TCVs.

**Krishnan:** The impression about smaller companies growing faster is more due to sampling bias, based on a handful of highly visible outperformers. That is not true if you look at the global cohort. Even though the bottom quartile by revenue size had its best growth in a decade in 2021, it still underperformed the top quartile by a significant margin.

Overall, the current demand environment is a rising tide that has lifted all boats. Horizon One is a very democratic opportunity, largely technology-centric. Having enough people with the requisite certifications and skills is sufficient to participate in this opportunity. The severe talent scarcity is also driving a broad outsourcing demand. Also, smaller players are enjoying strong demand from clients in the small and medium enterprise category, with little competition from larger providers.

All deals are important to us. Billion-dollar deals are especially important because they boost medium-term visibility and provide us opportunities to bring the whole of TCS' offerings to play. We are very pleased at winning two such deals during the year.

We adopted the new organization for a very different reason, so we reach our next revenue milestone, fighting fit. The new structure is designed to ensure that our clients receive curated experiences which make them feel just as valued, no matter how large we grow. It is also designed to help us replicate best practices across our client base and expand the number of clients who bank on us as their trusted growth and transformation partner.

### The large scale vendor consolidation anticipated two years ago doesn't seem to have materialized. How come?

**Krishnan:** Vendor consolidation is typically done to find an alternative strategic provider with a richer set of capabilities and a superior execution track record. However, the sharp recovery and subsequent growth in demand, coinciding with the great resignation and talent scarcity, have resulted in enterprises focusing more on pursuing their immediate technology priorities.

That said, we still won several large deals during the year where we displaced incumbents. If you look at the global market, the industry grew 6% whereas all the top tier players grew double digits, indicating that the longer-term consolidation trends are very much intact.

### The industry didn't see too many billion-dollar deals in FY 2022. How important are they for longer-term growth?

**NGS:** All deals are important to us. Billion-dollar deals are especially important because they boost medium-term visibility and provide us opportunities to bring the whole of TCS' offerings to play. We are very pleased at winning two such deals during the year. Having said that, the perceived importance of such deals for longer term growth need not be exaggerated versus smaller deals of say, $100million+ TCV.

For sustained longer term growth, what matters is that the base order book size, excluding the occasional mega deal, keeps growing year after year, and that the quality of revenue keeps improving with higher value engagements. Our average order book size which used to be in the $6-7 billion range in FY 2021 moved to the $7-8 billion range in FY 2022, and ended with an all-time high order book of $11.3 billion in Q4. We are very pleased with that progression.

### How will the tensions in Europe, rising inflation and the looming threat of a recession affect spending on innovation, on technology and on your growth outlook?

**Ananth:** Let me address the innovation part. It is a misconception that innovation is a nice-to-have activity apt for only good times. In fact, it is essential at all times, good or bad. In good times, enterprises

Partnering with TCS to innovate at scale will enable them to try out more ideas, and experiment more extensively with the same budget, and improve the yield on their innovation investment.

may fund more product innovation or customer experience transformation, targeting business growth or increased customer intimacy.

In tough times, they find new ways of working to boost their resilience and adaptability – for example, re-designing the value chain at a strategic level. The sheer volume of innovation we saw over the last two years, even in the face of bleak business outlook, is testament to that. We designed and rolled out AI-powered digitized underwriting and claims processing for insurers, omnichannel experiences with in-aisle checkouts for retailers, or remote monitoring and pre-emptive maintenance of equipment for manufacturers and utilities. None of these are `nice to have' capabilities. These were necessary to simply stay in business, to stay relevant in the face of changing consumer behavior, and to cope with the operational challenges posed by the pandemic.

So even in an economic slowdown, innovation doesn't stop. They may reprioritize one program over another based on shifting objectives, but the spending will continue. Partnering with TCS to innovate at scale will enable them to try out more ideas, and experiment more extensively with the same budget, and improve the yield on their innovation investment.

**NGS:** We have been through multiple disruptive macroeconomic events in the last decade and a half – the GFC, taper tantrums, Eurozone crisis, Brexit, the pandemic and now the war and the resulting humanitarian crisis. We always take a view that business is about growing in a constrained environment and over these events, we have survived, continued to grow and have ensured that we stay ahead of the technology curve. This speaks to the resilience of our business model, and of the essential nature of the services we offer to businesses across the world.

Today, technology is central to any enterprise. Businesses are rooted in technology, to the extent that every company is aspiring to become a technology company. Insurers are launching technology platforms for their ecosystem partners, and generating new revenue streams from that. The world's largest banks are incubating fintechs within the enterprise, and betting on those to drive their future growth. Retailers are depending heavily on online sales. These are all recent structural changes.

So conventional wisdom on technology spending, based on historic behaviors during prior slowdowns, may not be as reliable. In the post-pandemic world, we expect technology spending to hold up well even in a downturn.

We can't predict the future, but based simply on the deal signing momentum, our pipeline, and our on the ground observations of clients planning multi-horizon investments for their growth and transformation, we remain confident that we are on a good growth trajectory for the next three to five years.



# Transforming Israel's Banking Sector

The Government of Israel's Ministry of Finance was looking to encourage the entry of new digital-only banks that would boost competition, spark greater innovation and rejuvenate the banking sector. It selected TCS to play a leading role in this initiative, for its deep domain knowledge in the banking industry and experience in working with the largest financial institutions in the world.

TCS built the Banking Service Bureau (BSB), a shared, end-to-end digital banking operations platform powered by TCS BaNCS™, that start-up banks can easily plug into, to launch their operations quickly and securely. It connects to the entire banking and securities ecosystem in Israel, including local and international payment gateways, stock exchanges, various regulatory authorities and market data providers.

The first bank to commence operations using BSB is One Zero Digital Bank, Israel's first completely digital bank, and the first to receive a banking license in the country in over 40 years. Currently running as a pilot, the bank will be open for all customers in the coming months.

Besides start-up banks, incumbent banks can also take advantage of the BSB's modular architecture and consume only specific best-in-class capabilities to gain competitive differentiation and drive growth.

One of the modules in the BSB is its Digital Bank Guarantee platform, powered by TCS' Quartz® blockchain solution. It digitally transforms the end-to-end lifecycle of guarantees, enables seamless data sharing with various beneficiaries, faster execution, reduced errors, and enhanced transparency, security and data privacy. Bank Hapoalim, Israel's largest bank, with a 30% share of all bank guarantees in the country, has signed up for this platform.

As the first digital start-up bank in Israel, our motto is to provide differentiated banking services and use technology to its fullest potential to deliver an innovative alternate to traditional banks. While we have started with Israel, we are keen to grow in other markets too. As part of this journey, TCS' Banking Service Bureau powered by the TCS BaNCS product suite has helped us gain an early lead by making available a full digital core for banking, including the necessary infrastructure and operational processes. This has given us the space to focus on our core offerings and launch banking services in rapid time.

**Gal Bar Dea**
CEO, One Zero Bank

# Enabling Swiss Re's Risk Partnership Strategy for Future Growth

Swiss Re, one of the world's leading providers of reinsurance, insurance, and other forms of insurance-based risk transfer, conducts its business with a clear vision: to make the world more resilient. The company supports its clients with its deep knowledge of risk and its capital strength, and helps the world rebuild, renew, and move forward.

A distinctive aspect of Swiss Re's business strategy is leveraging ecosystems across its different businesses to go beyond conventional reinsurance into new products, services, and even entirely new models for risk business. It is creating new collaborative business models where it partners with corporates to create new solutions with embedded insurance, or with other insurers, reinsurers and even governments to leverage shared knowledge, expertise, and capabilities – protecting more customers, in newer ways.

TCS is helping Swiss Re realise this ecosystem vision in its credit and surety reinsurance business by building a cloud-native, microservices-based end-to-end underwriting platform, including the front-end digital channels and a digital marketplace that offers instant quotes.

The new platform will leverage cloud-native capabilities to help Swiss Re transform its underwriting processes, using larger and richer datasets, deep analytics, and automation to significantly enhance the underwriting quality, speed, and throughput. This will enable Swiss Re to provide a superior customer experience, offer a broader range of products, and take on more business.

The platform is being architected so that it can be opened up to other insurers or reinsurers, giving them access to new attractive risk pools through Swiss Re's extensive network of banks and other lenders.

The partnership with TCS will equip Swiss Re with a platform to power future growth by expanding its underwriting capacity to take on new business, while creating an additional revenue stream from the ceded risk distributed to other reinsurers.



Our clients and partners are at the heart of Swiss Re's strategy, and together we make the world more resilient. We offer tech-enabled risk knowledge and data-driven insight to address inefficiencies in the market and support data-driven business decisions. TCS has been a collaborative technology partner in our drive for digital transformation. We are moving into a modern cloud-based landscape which will realise our vision, power our future growth, and solve business and global challenges.

**Florian Maurer**
Global Head of Applications
Swiss Re

**How did you cope with supplyside challenges due to the Great Resignation this year? Is the worst behind us?**

**Milind:** Yes, it has been a challenging year for employers all over the world. In our industry, it wasn't as much due to the Great Resignation, as a churn within the industry. Peers who had not anticipated the sharp demand recovery scrambled to fulfill it by poaching at scale from other companies. That triggered a cycle of hiring and counter-hiring of each other's employees, sending attrition rates shooting across the industry.

Our attrition went up as well. But our commitment to people, investing in them and empowering them to realize their potential, along with closer employee engagement, have helped us remain a benchmark in talent retention. We also expanded our hiring program, flexing the strength of our employer brand to attract experienced and fresh talent at scale. We undertook several other tactical measures to cope with the supply side challenges, including generous promotions, retention bonuses and increased use of sub-contractors.

More importantly, we addressed the structural problem of industry-wide talent scarcity by training and onboarding 118,000 fresh engineers in FY 2022. This massive infusion of fresh talent by us, as well as by others in the industry, should start easing the problem in FY 2023. There are some early signs of this. Our attrition is plateauing on a quarterly annualized basis. LTM attrition will likely rise further in the first half of FY 2023 and after that, it should start tapering.

**Over the last 3 years, your net addition has significantly outstripped your revenue growth. Where is the disconnect?**

**Milind:** There are two reasons. One, there was significant offshore shift during the pandemic due to greater acceptance of remote working, local talent scarcity, and the flow of work to where the talent resides. That was deflationary in nature. Second, we have been hiring additional numbers ahead of demand, in anticipation of continued growth momentum and to have a ready bench to back-fill attrition.

## Q&A with Finance and HR

**Samir Seksaria,**
Chief Financial Officer

**Milind Lakkad**
Chief Human Resources Officer

**Dr Ritu Anand**
Head – Leadership & Diversity



**Despite the strong growth during the year, the operating margin stayed flat. How should we look at margins for the next year?**

**Samir:** During the year, our annual salary increase and the tactical interventions that Milind referred to, resulted in a 330 bps margin headwind. Operating leverage, improved realizations and some currency support helped us mitigate to the extent of 270 bps, resulting in an industry-leading operating margin of 25.3%.

Looking ahead, I expect the supplyside headwinds to persist for most of the year. Additionally, as things normalize, travel and facilities expenses should also inch up. That will be mitigated by the full year benefit of large numbers of fresh engineers onboarded in FY 2022, leverage from continued revenue growth, improved realizations and hopefully, some currency support. Overall, we want to keep our margins stable in the medium term.

**You used to guide to a 26-28% range? Is that no longer viable?**

**Samir:** We don't provide revenue or margin guidance. However, 26-28% remains our longer term aspirational band for the operating margin. Setting aside short term headwinds, we don't see any change to our longer term cost structures or our relative competitiveness. Just five quarters ago, we were in that band, so there is no reason why we can't get there again.

We have kept our margins in the same tight band for over a decade now. During this period, we have outgrown our largest and far more acquisitive local and global peers, and delivered better margins..

**You have had industry-leading margins for several years. Is that constraining your growth versus peers?**

**Samir:** We don't think so. We truly believe that it is possible to pursue profitable growth without compromising on either. The data bears us out. We have kept our margins in the same tight band for over a decade now. During this period, we have outgrown our largest and far more acquisitive local and global peers, and delivered better margins..

The underlying premise of the question is that with similar costs, higher margins must mean higher prices versus competition, and therefore lower sales. The flaw lies in that assumption on costs. While raw costs may be similar, our cost of delivery is lower because of higher level of industrialization in our delivery model, better training and better employer practices, resulting in better retention. So we are able to compete very effectively, and are winning all time high order books without compromising on profitability.

Let me also explain briefly how we manage margins on the ground. We have devolved decision-making to managers on the frontlines, closest to customers and best positioned to assess the tradeoffs. We hold them accountable for growth as well as profitability, while giving them autonomy to shape the commercials of individual engagements. This has given us a class of empowered, entrepreneurial leaders who win deals going head-to-head with our most aggressive peers on prices, if need be, while making up for the impact elsewhere, and delivering the committed margin at a portfolio level.

Of course, we continue to invest heavily in building capabilities to pursue the large organic growth opportunity. We are also open to acquiring assets which add to our capabilities or IP assets, but the decision is based more on valuations and ease of integration.

**Switching gears, only 13% of the senior management are women. What are you doing to increase diversity at senior levels?**

**Ritu:** We recognize the need to have a more diverse workforce, and have been running a structured program to drive diversity and inclusion within the organization. For us, diversity is not just gender diversity. We take a broader and more inclusive view, including gender, nationality, education, ethnicity, orientation, accessiblity and so on. By that measure, diversity in senior management is over 30%.

We currently have over 153 nationalities in our workforce. TCS is one of the largest employers of women in the world, with over 210,000 women in the workforce. This diversity is an aggregate outcome of deliberate efforts around hiring in every market, talent

development, promotion and retention, and policies specifically designed to encourage talented individuals, regardless of demographic profile, to plan longer term careers in TCS.

Women make up 13% of our senior management. But that figure doesn't tell the full story. Within that cohort, women fulfill 30% of our business development and delivery management roles. That is the pool from which tomorrow's business heads and top leaders will emerge, so I find that extremely encouraging.

Also, that percentage translates into nearly 4,000 senior women executives, making ours one of the largest such teams in the world. Our policy of grooming and promoting leadership from within, personalized assessments, leadership development programs, promotions and the collective efforts of the entire leadership team have helped us grow the number of women in that cohort by 84% over the last five years.

With continued push and with new leadership positions opening up faster, and in larger numbers because of the high growth environment we are in, we are confident that we will make more progress over the next five years, than we did in the last five. But there are no shortcuts to this.

**Why not? You could just announce a target to have 50% women in senior management and hire accordingly?**

**Ritu:** Yes, we could. Hiring only women senior managers from outside for all new leadership roles would certainly give us an opportunity to trumpet our leadership in gender diversity. But I see this as unsustainable.

Women's overall participation in the labor force here is under 20%, perhaps 15% if you take the urban workforce. The percentage at senior management levels is much smaller, and the available hiring pool is a fraction of that. Given this lack of availability at an industry level, companies would simply end up hiring and re-hiring each others' senior executives, driving up industry-level executive churn.

Instead, the industry should address this at a systemic level, and collectively do more of what we are currently doing at TCS. Run school-level programs to encourage girls to pursue STEM education and careers, support mentoring programs, provide opportunities to women returning after career breaks, invest in leadership development and increase the number of women at all levels. That will expand the industry's female leadership pool and give everyone an opportunity to avail the benefits of diversity.

**Milind:** Also, parachuting external candidates into leadership positions just to achieve a diversity quota is demoralizing to existing employees, men and women, whose own growth aspirations get derailed. One of the biggest contributors to our industry-leading talent retention is our long-standing policy of preferring internal candidates for new leadership positions. Hence our organic approach. This may take time to show on the outside, but it is fairer to our employees and more sustainable in the long run.

One of the biggest contributors to our industry-leading talent retention is our long-standing policy of preferring internal candidates for new leadership positions. Hence our organic approach. This may take time to show on the outside, but it is fairer to our employees and more sustainable in the long run.

**As you look at doubling your revenue, what will TCS' workforce look like? Will you have a million employees?**

**Milind:** We believe our workforce will be more diverse, demographically and geographically. With a larger business transformation component in our revenue mix, I expect that we will also have more diverse capabilities within the workforce – more researchers and innovators, more business consultants across industry verticals and technology horizontals, more product and IP owners, more solution architects, and more specialists in softer areas like empathetic design and organizational change management.

It is harder to predict how the headcount will grow. With a larger component of G&T revenues with higher realizations, IP-linked revenues and the mainstreaming of technologies like low code/no code which are less effort intensive, we should be able to double revenues without needing a million employees. But even if it comes to that, we are no longer intimidated by large numbers. Our model has proved its scalability, and we are confident we will continue to remain a benchmark in talent management.

# Helping RS Components Deepen Customer Relationships and Drive Profitable Growth

RS Components, the world's largest distributor of electronics and maintenance products, is a trading brand of UK-based Electrocomponents plc. The company supplies industrial products, electronic and electrical components, test and measurement equipment, engineering tools and consumables via e-commerce, telephone and RS Local stores. It operates in 32 countries serving over 1.2 million customers with 500,000 stocked products from over 2,500 leading suppliers.

RS Components partnered with TCS to create a new business model that would enable new value-added services in industrial maintenance, foster closer relationships with customers, and drive further demand for its products. TCS used its Bringing Things to Life™ IoT framework, and its deep domain knowledge in digital manufacturing, remote diagnostics and predictive services to help build a new AWS IoT based reporting and condition monitoring system that has been branded RS Industria.

This scalable, secure new platform allows customers to connect their manufacturing assets quickly and easily, for real time monitoring that provides insights into the causes of production losses and component failure.

RS Components' first client for this solution, a food manufacturing site in the UK, has a number of high value assets such as industrial motors, production line equipment and a treatment plant connected to the platform. The real-time monitoring and insights generated by the system have helped cut fresh water consumption, and also reduce the effort and cost of managing the wastewater treatment.

The system is also being used to help reduce the site's energy consumption by monitoring usage at a production line level, highlighting specific areas of energy loss in the production process. In the near future, the customer is using the modularity of RS Industria to rapidly expand the system to enable condition monitoring of critical assets.

RS Components and TCS are now working together to replicate this success for other end-customers in other industry segments. Partnering with TCS for its growth and transformation has helped RS Components embrace a new business model that makes it a valued and trusted business partner to its customers, creates new revenue streams, boosts profitability and reinforces its position as an innovation pioneer in the industrial component ecosystem.



Partnering with TCS in launching RS Industria brought a number of strengths to us – their IIoT expertise, their knowledge around remote diagnostics and predictive services, their understanding of the Amazon Web platform and how to build really advanced solutions in that space and lastly their collaborative way of working. All of these helped us realize our vision around this new offering much faster.

**Richard Jeffers**
Director, Industrial Design Solutions
RS Components

# Boosting Colruyt's Competitiveness with Algorithmic Pricing

Colruyt is a leading retailer in Europe with online shops and over 1,000 physical outlets across Belgium, Luxembourg and France. It has ten business formats and diversified business lines.

Colruyt's business success has been built on keeping costs down and investing resources in guaranteeing the lowest price for every product at any time. But this is no easy feat. Staying on top means monitoring competitors' online and in-store prices and promotions, and responding to changes with updated prices for those items, as well as for hierarchically linked items, across all stores and business formats.

Over time, Colruyt's pricing processes were finding it difficult to cope with the sheer volumes and complexity. Colruyt started the successful collaboration with TCS as the strategic partner to harness the power of automation and other digital technologies to transform its pricing platform.

Colruyt and TCS collaborated successfully to implement the Next-Gen Pricing Engine, an algorithmic, near real-time, intelligent system that automates the deployment of the pricing strategy across products, linked items, stores, channels and brands. To improve the instore price recording from competitor locations, a real time mobile app was launched to boost the productivity and accuracy. The system uses in-parallel memory processing for large volumes of data to generate price recommendations at near real time speed.

Very importantly, the engine caters to the varied pricing strategies relevant to Colruyt's different business lines – regular everyday low prices, high-low, promotions and markdown, enabling the competitive benefits to accrue across the enterprise.

Partnering with TCS for the innovative use of technology is helping Colruyt respond to competitors 24 x 7 with speed and agility, capturing over 100,000 competitor prices, and processing up to 50 million reaction prices per day. This has helped the retailer strengthen its competitive differentiation, live up to its brand promise and drive growth.



At Colruyt, we continuously focus on technology innovation to help our businesses respond quickly to changes in the market, and to grow. The Next-Gen Pricing Engine is one such innovative, mission-critical platform that we have built in partnership with TCS. Their deep retail industry knowledge, digital expertise and collaborative ways of working helped us accomplish our vision to harness the power of AI, automation and digital technologies to help elevate our brand and strengthen our competitive edge.

**Peter Vanbellingen**
CIO, Colruyt IT

# Transforming India's Lending Sector with a New Digital Platform

Non-Banking Financial Companies (NBFCs) are a key component of India's financial ecosystem, helping make credit and other financial services accessible to the small-scale and unorganized sectors, and to the large unbanked population. However, with low technology intensity and largely manual processes, these firms have struggled to meet consumer expectations around digital experience and speed of service on the one hand, and with regulatory compliance and lack of easy access to capital on the other hand. This has held back the sector's growth relative to the market's potential.

Recognizing that the industry's fragmented structure and common attributes lent itself to a cloud-based SaaS platform, TCS built a first-of-its-kind, cloud-based lending and securitization solution, bringing together the power of two of its highly successful products – TCS BaNCS™ and TCS iON™, and the DigiGOV™ governance framework, to completely digitize and reimagine the core processes for the sector.

The new platform is a collaborative, connected system that transforms the end-to-end lending and securitization value chain, offering secure and timely flow of data among stakeholders within the ecosystem. It leverages AI and ML to enhance end-customer and internal-stakeholder experience, and improve speed and accuracy in decision-making.

NBFCs subscribing to the platform benefit from enhanced customer experience, improved liquidity, more resilient and agile operations, and improved regulatory compliance across lending and securitization. Impressed with the rich functionality, flexibility and scalability of the solution, some of India's largest private sector banks are also adopting it for their personal lending business.



Aadhar Housing Finance Limited, a housing finance company with a pan-India presence implemented TCS' lending and securitization solution in FY 2022 and has been able to transform its operations, end to end.

At the back end, TCS' solution has helped strengthen controls, ease regulatory compliance, enhance data security and drive operational efficiency. On the front end, it has enabled easier and more efficient customer experience. The solution's robust lead management processes, with lead tracking and reporting have helped drive Aadhar's growth and expand its market presence.

Our partnership with TCS is helping us to realise our strategy of investing in technology enabled solutions to improve customer experience. We hope to reap the full benefit of this transformation to expand our market reach.

**Deo Shankar Tripathi**
MD and CEO
Aadhar Housing Finance Limited

# Notice



Notice is hereby given that the twenty-seventh Annual General Meeting of Tata Consultancy Services Limited will be held on Thursday, June 9, 2022 at 3:30 p.m. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

1. To receive, consider and adopt:
    a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
    b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividends on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2021-22.
3. To appoint a Director in place of N Ganapathy Subramaniam (DIN 07006215) who retires by rotation and, being eligible, offers himself for re-appointment.
4. **Appointment of Statutory Auditors of the Company**

    To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

    "RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W–100022) be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the thirty-second AGM to be held in the year 2027, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

5. **To approve existing as well as new material related party transactions with Tata Sons Private Limited and/or its subsidiaries, Tata Motors Limited, Jaguar Land Rover Limited and/or its subsidiaries and the subsidiaries of the Company (other than wholly owned subsidiaries)**

    To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

    "RESOLVED that pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as

amended from time to time, ("SEBI Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Related Party Transactions, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter/continue to enter into Material Related Party Transaction(s)/ Contract(s)/Arrangement(s)/Agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with entities falling within the definition of 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, in the course of **(a)** availing and rendering of IT services/ ITeS/consulting service(s) **(b)** reimbursement of expenses including towards availing/providing for sharing/usage of each other's resources viz. employees, office space, infrastructure including IT assets, taxes and related owned/third-party services; **(c)** purchase/sale/exchange/transfer/ lease of business asset(s) and/or equipments to meet its business objectives/requirements; **(d)** transfer of any resources, services or obligations to meet its business objectives/ requirements ("Related Party Transactions") on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between related parties and the Company, for each of the financial years (FY) from FY 2022-23 to FY 2026-27 i.e. five financial years, such that the maximum value of the Related Party Transactions with such parties, in aggregate, does not exceed value as specified under each category for each financial year, provided that the said contract(s)/arrangement(s)/ transaction(s) shall be carried out in the ordinary course of business of the Company and in respect of transactions with related parties under Section 2(76) of the Act, are at arm's length basis.'

"RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER that all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

6. **Place of keeping and inspection of the Registers and Annual Returns of the Company**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that in supersession of all Resolutions passed earlier in this regard and

pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Members of the Company be and is hereby accorded to keep the Registers as prescribed under Section 88 of the Act and copies of Annual Returns under Section 92 of the Act, together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the Registered Office of the Company and/or at the office of TSR Consultants Private Limited (formerly TSR Darashaw Consultants Private Limited), Registrar and Transfer Agent of the Company at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India and/or such other place where the office of the Registrar and Transfer Agent of the Company is situated within Mumbai, from time to time."

"RESOLVED FURTHER that the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto."

**Notes:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19", General Circular no. 20/2020 dated May 5, 2020, General Circular nos. 02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 respectively in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 6 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 3 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.

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

4. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf

and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to tcs.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF's, NRI's etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

5. The Company has fixed Thursday, May 26, 2022 as the "Record Date" for determining entitlement of Members to final dividend for the financial year ended March 31, 2022, if approved at the AGM.

6. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on Monday, June 13, 2022 as under:

    i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on Thursday, May 26, 2022;

    ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Thursday, May 26, 2022.

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:

    a. **For shares held in electronic form:** to their Depository Participants (DPs)

    b. **For shares held in physical form:** to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters along with Business Reply Envelopes (BRE) for furnishing the required details. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website https://on.tcs.com/IR-FAQ.

8. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at https://on.tcs.com/IR-FAQ and on the website of the Company's Registrar and Transfer Agents, TSR Consultants Private Limited ("TCPL") at https://www.tcplindia.co.in/. It may be noted that any service request can be processed only after the folio is KYC Compliant.

9. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation,

Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or TCPL, for assistance in this regard.

10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or TCPL, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

11. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website https://on.tcs.com/IR-FAQ. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to TCPL in case the shares are held in physical form.

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

13. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before June 8, 2022 through email on investor.relations@tcs.com. The same will be replied by the Company suitably.

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

15. Notice of the AGM along with the Integrated Annual Report 2021-22 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. In furtherance of the Green Initiative, physical copy of the Notice of the AGM along with the Abridged Integrated Annual Report 2021-22 is being sent by the permitted modes to those Members whose e-mail addresses are not registered. Members may note that the Notice and Integrated Annual Report 2021-22 will also be available on the Company's website www.tcs.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL https://www.evoting.nsdl.com

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

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

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to TCS-Exemptforms2223@tcplindia.co.in by 11:59 p.m. IST on Tuesday, May 24, 2022. Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.

    Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF/JPG Format) by e-mail to TCS-Exemptforms2223@tcplindia.co.in. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Tuesday, May 24, 2022. For further details please refer to FAQs on Taxation of Dividend Distribution at https://on.tcs.com/IR-FAQ.

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

    **A. VOTING THROUGH ELECTRONIC MEANS**

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

    ii. The remote e-voting period commences on Monday, June 6, 2022 (9:00 a.m. IST) and ends on Wednesday, June 8, 2022 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, June 2, 2022 i.e. cut-off date, may cast their vote electronically.

    The e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility, either during the period commencing June 6, 2022 to June 8, 2022 or e-voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.

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

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

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

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

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

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

Step 2: Cast your vote electronically on NSDL e-voting system.

**Details on Step 1 are mentioned below:**

**I) Login method for remote e-voting and joining the virtual meeting and joining the virtual meeting for individual shareholders holding securities in dematerialized mode**

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

Login method for individual shareholders holding securities in dematerialized mode is given below:

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

| Type of shareholders | Login Method |
|---|---|
| | **B. e-voting website of NSDL**<br>1. Open web browser and type the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone.<br>2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.<br>3. A new screen will open. You will need to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.<br>4. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting.<br>C. Shareholders/Members can also download NSDL mobile app **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience.<br>**NSDL Mobile App is available on**<br>App Store Google Play<br>   |

| Type of shareholders | Login Method |
|---|---|
| Shareholders holding securities in dematerialized mode with CDSL | 1. Existing users who have opted for Easi/Easiest, they can login through their User ID and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br>2. After successful login of Easi/Easiest the user will be also able to see the e-voting menu. The menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote.<br>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress. |
| Individual shareholders (holding securities in dematerialized mode) login through their DPs | 1. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility.<br>2. Once logged-in, you will be able to see the e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature.<br>3. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. |

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

Helpdesk for individual shareholders holding securities in dematerialized mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

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

**II) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding securities in dematerialized mode and shareholders holding securities in physical mode.**

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

1. Visit the e-voting website of NSDL. Open web browser by clicking the URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, Password/OTP and a verification code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can login at https://eservices.nsdl.com/ with your existing IDeAS login. Once you login to NSDL eservices after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
5. Your User ID details are given below:

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

6. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-voting, then you can use your existing Password to login and cast your vote.
   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your Password.
   c) How to retrieve your 'initial password'?

      (i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com.Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file.

The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

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

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

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

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

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

   d) Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.

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

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

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

**Details on Step 2 are given below:**

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

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

2. Select "EVEN" of Company, which is 119798 for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

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

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

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

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

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

**General guidelines for shareholders**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep

your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the Password.

2. In case of any queries related to e-voting, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com. For any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, e-mail: evoting@nsdl.co.in, toll free no: 1800 1020 990/1800 224 430.
3. Members may send a request to evoting@nsdl.co.in for procuring User ID and Password for e-voting by providing demat account number/ folio number, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card). If you are an Individual shareholder holding securities in dematerialized mode, you are requested to refer to the login method explained above.
4. The instructions for members for e-voting on the day of the AGM are mentioned in point number 18(A).

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

1. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com following the steps mentioned above for login to NSDL e-voting system. After successful login, you can see VC/ OAVM link placed under Join meeting menu against company name. You are requested to click on VC/OAVM link placed under "Join Meeting" menu. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.
3. Members who need assistance before or during the meeting, can contact NSDL on evoting@nsdl.co.in/1800 1020 990 and 1800 224 430 or contact Amit Vishal, Assistant Vice President – NSDL at amitv@nsdl.co.in/or Sanjeev Yadav, Assistant Manager-NSDL at sanjeevy@nsdl.co.in.
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and

Client ID/Folio number, PAN, mobile number at tcsagm.speakers@tcs.com from June 3, 2022 (9:00 a.m. IST) to June 5, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**Other instructions**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.tcs.com and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

By Order of the Board of Directors

**Pradeep Manohar Gaitonde**
Company Secretary
Membership No. ACS 7016

Mumbai, April 11, 2022

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

# Explanatory Statement

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 6 of the accompanying Notice:

**Item No. 4**

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is strictly not required as per Section 102 of the Act.

The Members at the twenty-second Annual General Meeting ("AGM") of the Company held on June 16, 2017, had approved the appointment of B S R & Co. LLP ("BSR"), Chartered Accountants (Firm Registration No.: 101248W/W-100022), as Statutory Auditors of the Company, to hold office till the conclusion of the twenty-seventh AGM.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on April 11, 2022, proposed the re-appointment of BSR, Chartered Accountants (Firm Registration No.: 101248W/W-100022), as the Statutory Auditors of the Company, for a term of five consecutive years from the conclusion of twenty-seventh AGM till the conclusion of thirty-second AGM of the Company to be held in the year 2027, at a remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors.

BSR have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

BSR is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. BSR is registered in Mumbai, Gurugram, Bengaluru, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur, Kochi and Vijayawada. BSR audits various companies listed on stock exchanges in India.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

**Item No. 5**

The Securities and Exchange Board of India ("SEBI"), vide its notification dated November 9, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("Amendments") introducing amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The aforesaid amendments *inter-alia* included replacing of current threshold i.e. 10% (ten percent) of the listed entity's consolidated turnover, for determination of material Related Party Transactions requiring prior Shareholders' approval with the threshold of lower of ₹1,000 crore (Rupees One thousand crore) or 10% (ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Accordingly, the threshold for determination of material Related Party Transactions under Regulation 23(1) of the SEBI Listing Regulations has been reduced with effect from April 1, 2022.

Tata Consultancy Services Limited ("the Company" or "TCS"), being a globally recognised provider of IT services, participates in the digitisation initiatives of entities within Tata group and partners in respective entities' growth and transformation journeys. During the course of rendering such services, the Company

also leverages niche skills, capabilities and resources of entities within the "Tata Group". The transactions that the Company has had with its related parties for the last three years is given below:

**Year ended March 31, 2022** **(₹ crore)**

| Transactions | Tata Sons Private Limited | Subsidiaries of the Company | Subsidiaries of Tata Sons Private Limited | Associates/joint ventures of Tata Sons Private Limited and their subsidiaries | Total |
|---|---|---|---|---|---|
| IT/ITE services rendered | 40 | 1,164 | 854 | 2,149 | 4,207 |
| Other income | - | 1 | - | - | 1 |
| Procurement of goods and services | - | 345 | 549 | 306 | 1,200 |
| Brand equity contribution | 100 | - | - | - | 100 |
| Non IT/ITE services availed | 1 | - | 19 | 45 | 65 |
| Lease rental | - | - | 86 | 11 | 97 |

**Year ended March 31, 2021** **(₹ crore)**

| Transactions | Tata Sons Private Limited | Subsidiaries of the Company | Subsidiaries of Tata Sons Private Limited | Associates/joint ventures of Tata Sons Private Limited and their subsidiaries | Total |
|---|---|---|---|---|---|
| IT/ITE services rendered | 35 | 1,104 | 670 | 1,673 | 3,482 |
| Other income | - | 1 | - | - | 1 |
| Procurement of goods and services | 1 | 268 | 668 | 222 | 1,159 |
| Brand equity contribution | 100 | - | - | - | 100 |
| Non IT/ITE services availed | - | - | 17 | 42 | 59 |
| Lease rental | 1 | - | 49 | 32 | 82 |

**Year ended March 31, 2020** **(₹ crore)**

| Transactions | Tata Sons Private Limited | Subsidiaries of the Company | Subsidiaries of Tata Sons Private Limited | Associates/joint ventures of Tata Sons Private Limited and their Subsidiaries | Total |
|---|---|---|---|---|---|
| IT/ITE services rendered | 31 | 1,069 | 488 | 1,780 | 3,368 |
| Procurement of goods and services | 1 | 222 | 923 | 404 | 1,550 |
| Brand equity contribution | 100 | - | - | - | 100 |
| Non IT/ITE services availed | - | - | 2 | 1 | 3 |
| Lease rental | 2 | - | 90 | 4 | 96 |

In view of the changes in the threshold for determining the related party transactions that require prior shareholder approval and considering the fact that the list of related parties will change dynamically with no action on the part of the Company and to facilitate seamless contracting and rendering/availing of product and services between the Company and "related parties", the Company seeks the approval of the shareholders to approve entering into contracts/arrangements within the thresholds and conditions mentioned in the resolution. All the contracts/arrangements and the transactions with "related parties" are reviewed and approved by the Audit Committee. Further, the transactions that require testing of arm's length pricing are certified by our Statutory Auditors for being at arm's length.

**The details of transactions that require approval are given below:**

**1. Tata Sons Private Limited and/or its Subsidiaries**

| Sr. No. | Description | Particulars |
|---|---|---|
| 1. | Name of the related party | Tata Sons Private Limited and/or its subsidiaries (please refer to Annexure B for list of subsidiaries) |
| 2. | Nature of relationship<br>*[including nature of its interest (financial or otherwise)]* | Holding Company – Tata Sons Private limited and its subsidiaries which are covered under Section 2(76) of the Act. |
| 3. | Type of the proposed transaction | (a) Rendering of IT/ITE Services including IT, Infrastructure, Cloud, IOT and Digital Engineering, Digital Transformation, Analytics, Cyber Security, and such related areas<br>(b) Supply of hardware and software,<br>(c) reimbursement of expenses relating to IT Infrastructure services<br>(d) Procurement of goods, services, sponsorship, etc.<br>(e) Leasing of property<br>(f) Any transfer of resources, services or obligations to meet its objectives/requirements |
| 4. | Nature, duration/tenure, material terms, monetary value and particulars of contract/arrangement | Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in. Monetary value of transactions with a single related party subject to a maximum of 1.3 percent of the consolidated turnover of the Company per annum through contracts/arrangements which are entered for a duration upto 5 years and a cumulative threshold of 5.2 percent of the consolidated turnover of the Company across all related parties per annum. |
| 5. | Particulars of the proposed transaction | Same as 3 |
| 6. | Tenure of the transaction | Contracts/arrangements with a duration upto 5 years |
| 7. | Value of the proposed transaction | 1.3 percent of the consolidated turnover of the Company per annum with a single related party subject to a cumulative threshold of 5.2 percent of the consolidated turnover of the Company per annum across all related parties in this category |
| 8. | Percentage of TCS's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction | 1.3 percent of the consolidated turnover of the Company with single related party<br>5.2 percent of the consolidated turnover of the Company across all related parties |

| Sr. No. | Description | Particulars |
|---|---|---|
| 9. | Benefits of the proposed transaction | The Company, being a globally recognised provider of IT services participates in the digitisation initiatives of entities within Tata group and partners in respective entities' growth and transformation journeys. During the course of rendering such services, the Company also leverages niche skills, capabilities and resources of entities within the group. These transactions aim at providing enhanced level of user experience to the end-consumers of Tata group and provide the entities within the group cutting edge technologies to sustain and grow their business. |
| 10. | Details of the valuation report or external party report *(if any)* enclosed with the Notice | All contracts with related party defined as per Section 2(76) of the Act are reviewed for arm's length testing internally and by Statutory Auditors. |
| 11. | Name of the Director or Key Managerial Personnel, who is related | N Chandrasekaran, N Ganapathy Subramaniam and Aarthi Subramanian |
| 12. | Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given | |
| A | Source of funds | NA |
| B | In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment:<br>• Nature of indebtedness<br>• cost of funds and<br>• tenure of the indebtedness | NA |
| C | Terms of the loan, inter-corporate deposits, advances or investment made or given<br>*(including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security)* | NA |

## 2. Tata Motors Limited, Jaguar Land Rover Limited and/or its subsidiaries

| Sr. No. | Description | Particulars |
|---|---|---|
| 1. | Name of the related party | Tata Motors Limited, Jaguar Land Rover Limited and/or its subsidiaries (please refer to Annexure B for list of subsidiaries) |
| 2. | Nature of relationship<br>*[including nature of its interest (financial or otherwise)]* | Tata Motors Limited is an associate of Tata Sons Private Limited, Jaguar Land Rover Limited is a subsidiary of Tata Motors Limited and hence related party as per SEBI Listing Regulations. |
| 3. | Type of the proposed transaction | (a) Rendering of IT/ITE Services including IT, Infrastructure, Cloud, IOT and Digital Engineering, Digital Transformation, Analytics, Cyber Security, and such related areas<br>(b) Supply of hardware and software,<br>(c) reimbursement of expenses relating to IT Infrastructure services<br>(d) Procurement of goods, services, sponsorship, etc<br>(e) Any transfer of resources, services or obligations to meet its objectives/requirements |
| 4. | Nature, duration/tenure, material terms, monetary value and particulars of contract/arrangement | Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in. Monetary value of transactions with a single related party subject to a maximum of 1.3 percent of the consolidated turnover of the Company per annum through contracts/arrangements which are entered for a duration upto 5 years and a cumulative threshold of 2.6 percent of the consolidated turnover of the Company across all related parties per annum. |
| 5. | Particulars of the proposed transaction | Same as 3 |
| 6. | Tenure of the transaction | Contracts/arrangements with a duration upto 5 years |
| 7. | Value of the proposed transaction | 1.3 percent of the consolidated turnover of the Company per annum with a single related party subject to a cumulative threshold of 2.6 percent of the consolidated turnover of the Company per annum across all related parties |
| 8. | Percentage of TCS's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction. | 1.3 percent of the consolidated turnover of the Company with single related party<br>2.6 percent of the consolidated turnover of the Company across all related parties |

| Sr. No. | Description | Particulars |
|---|---|---|
| 9. | Benefits of the proposed transaction | The Company, being a globally recognised provider of IT services participates in the digitisation initiatives of entities within Tata group and partners in respective entities' growth and transformation journeys. During the course of rendering such services, the Company also leverages niche skills, capabilities and resources of entities within the group. These transactions aim at providing enhanced level of user experience to the end-consumers of Tata group and provide the entities within the group cutting edge technologies to sustain and grow their business. |
| 10. | Details of the valuation report or external party report *(if any)* enclosed with the Notice | Company's governance policies with respect to negotiation with third parties are followed for all contracts/ arrangements with related party as defined under SEBI Listing Regulations. These contracts/arrangements are approved by the Audit Committee on quarterly basis |
| 11. | Name of the Director or Key Managerial Personnel, who is related | N Chandrasekaran, N Ganapathy Subramaniam, Hanne Sorensen and O P Bhatt |
| 12. | Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given | |
| A | Source of funds | NA |
| B | In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment:<br>• Nature of indebtedness<br>• cost of funds and<br>• tenure of the indebtedness | NA |
| C | Terms of the loan, inter-corporate deposits, advances or investment made or given<br>*(including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security)* | NA |

**3. Subsidiaries of the Company (other than wholly owned subsidiaries)**

| Sr. No. | Description | Particulars |
|---|---|---|
| 1. | Name of the related party | Subsidiaries of the Company (other than wholly owned subsidiaries) (please refer to Annexure B for list of subsidiaries) |
| 2. | Nature of relationship<br>*[including nature of its interest (financial or otherwise)]* | Subsidiaries of the Company which are covered under Section 2(76) of Companies Act, 2013 |
| 3. | Type of the proposed transaction | (a) Rendering of IT/ITE Services including IT, Infrastructure, Cloud, IOT and Digital Engineering, Digital Transformation, Analytics, Cyber Security, and such related areas<br>(b) Supply of hardware and software,<br>(c) reimbursement of expenses relating to IT Infrastructure services<br>(d) Procurement of goods, services, sponsorship, etc<br>(e) Leasing of property<br>(f) Any transfer of resources, services or obligations to meet its objectives/requirements |
| 4. | Nature, duration/tenure, material terms, monetary value and particulars of contract/arrangement | Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in. Monetary value of transactions with a single related party subject to a maximum of 1.3 percent of the consolidated turnover of the Company per annum through contracts/arrangements which are entered for a duration upto 5 years and a cumulative threshold of 2.6 percent of the consolidated turnover of the Company across all related parties per annum. |
| 5. | Particulars of the proposed transaction | Same as 3 |
| 6. | Tenure of the transaction | Contracts/arrangements with a duration upto 5 years |
| 7. | Value of the proposed transaction | 1.3 percent of the consolidated turnover of the Company per annum with a single related party subject to a cumulative threshold of 2.6 percent of the consolidated turnover of the Company per annum across all related parties |
| 8. | Percentage of TCS's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction.<br>*(and for a related party transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)* | 2.6 percent of the annual consolidated turnover of the Company and upto 50 percent of respective subsidiary turnover |

| Sr. No. | Description | Particulars |
|---|---|---|
| 9. | Benefits of the proposed transaction | As per global network delivery model of TCS, the subsidiaries operating in respective countries enters into the contracts from customers and outsource the service delivery to the parent company TCS. Solutions framework along with trained domain experts of TCS ensure delivery of high quality and certainty to the end customers at respective countries. |
| 10. | Details of the valuation report or external party report *(if any)* enclosed with the Notice | All contracts with related party defined as per Section 2(76) of the Act are reviewed for arm's length testing by the Compliance team and Statutory Auditors |
| 11. | Name of the Director or Key Managerial Personnel, who is related | Person/s holding position of Chief Executive Officer and Managing Director and/or Executive Director and/or Chief Operating Officer |
| 12. | Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given | |
| A | Source of funds | NA |
| B | In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment:<br>• Nature of indebtedness<br>• cost of funds and<br>• tenure of the indebtedness | NA |
| C | Terms of the loan, inter-corporate deposits, advances or investment made or given<br>*(including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security)* | NA |

None of the Directors or Key Managerial Personnel of the Company or its respective relatives, other than as mentioned above, is concerned or interested, in the resolution.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

It is pertinent to note that no related party shall vote to approve this Resolution whether the entity is a related party to the particular transaction or not.

**Item No. 6**

As per the provisions of Section 94 of the Act, approval of the Members by way of a special resolution is required for the Company to have its Register and Index of Members, the Register and Index of Debentureholders, if any, copies of all Annual Returns prepared under Section 92 of the Act, together with the copies of the certificates and documents required to be annexed thereto, to be kept at a place other than the Company's Registered Office, but within the same city, town or village where the Registered Office of the Company is situated.

The Members of the Company at its twelfth Annual General Meeting held on June 29, 2007, had approved the Register of Members and other returns/documents, etc. to be kept at the premises of TSR Consultants Private Limited ("TCPL") (formerly known as TSR Darashaw Consultants Private Limited), the Registrar and Transfer Agent ("RTA") of the Company at 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400 011.

Owing to the shifting of the registered office of TCPL, approval of the Members is sought by way of a Special Resolution for keeping the aforesaid documents at the Office of the Company's Registrar and Share Transfer Agents and/or at the other places mentioned in the Resolution.

The Board recommends the resolution as set out at Item No. 6 of the accompanying Notice for the approval of the Members of the Company by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 6 of the Notice.

**Annexure A**

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

| Particulars | N Ganapathy Subramaniam |
|---|---|
| **DIN** | 07006215 |
| **Date of Birth and Age** | May 20, 1959 (62 years) |
| **Date of Appointment** | February 21, 2017 |
| **Qualifications** | Master's Degree in Mathematics |
| **Expertise in specific functional areas** | Wide experience in Information Technology |
| **Directorships held in other companies** | Tata Elxsi Limited<br>TCS Foundation<br>Tata Communications Limited<br>Tejas Networks Limited |
| **Memberships/Chairmanships of committees of other companies** | Tata Elxsi Limited<br>• Nomination and Remuneration Committee<br>• Executive Committee*<br>• Risk Management Committee |
| **Number of Equity Shares held in the Company** | 197,760 Equity Shares |

*Chairman

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

Annexure B

## List of subsidiaries of Tata Sons Private Limited as on March 31, 2022 (Excluding Tata Consultancy Services Limited and its Subsidiaries)

| Sr. No. | Name |
|---|---|
| 1 | Ewart Investments Limited |
| 2 | Tata Limited |
| 3 | Tata AIA Life Insurance Company Limited |
| 4 | Tata AIG General Insurance Company Limited |
| 5 | Indian Rotorcraft Limited |
| 6 | Panatone Finvest Limited |
| 7 | Akashastha Technologies Private Limited |
| 8 | Tejas Networks Limited |
| 9 | Tejas Communication Pte Limited |
| 10 | Tejas Communications (Nigeria) Limited |
| 11 | TS Investments Limited |
| 12 | Tata SIA Airlines Limited |
| 13 | Tata Incorporated |
| 14 | Tata Investment Corporation Limited |
| 15 | Simto Investment Company Limited |
| 16 | Tata Asset Management Private Limited (formerly Tata Asset Management Limited) |
| 17 | Tata Asset Management (Mauritius) Private Limited |
| 18 | Tata Pension Management Limited |
| 19 | Tata Consulting Engineers Limited |
| 20 | Ecofirst Services Limited |

| Sr. No. | Name |
|---|---|
| 21 | TCE QSTP-LLC |
| 22 | Tata Engineering Consultants Saudi Arabia Company |
| 23 | Tata International AG, Zug |
| 24 | TRIF Investment Management Limited |
| 25 | Tata Advanced Systems Limited |
| 26 | Aurora Integrated Systems Private Limited |
| 27 | Nova Integrated Systems Limited |
| 28 | TASL Aerostructures Private Limited |
| 29 | Tata Capital Limited |
| 30 | Tata Capital Advisors Pte. Limited |
| 31 | Tata Capital Financial Services Limited |
| 32 | Tata Capital General Partners LLP |
| 33 | Tata Capital Growth Fund I |
| 34 | Tata Capital Healthcare General Partners LLP |
| 35 | Tata Capital Housing Finance Limited |
| 36 | Tata Capital Plc |
| 37 | Tata Capital Pte. Limited |
| 38 | Tata Cleantech Capital Limited |
| 39 | Tata Opportunities General Partners LLP |
| 40 | Tata Securities Limited |
| 41 | Tata Capital Special Situation Fund |

| Sr. No. | Name |
|---|---|
| 42 | Tata Capital Healthcare Fund I |
| 43 | Tata Capital Innovations Fund |
| 44 | Tata Capital Growth Fund II |
| 45 | TCL Employee Welfare Trust |
| 46 | Tata Capital Growth II General Partners LLP |
| 47 | Tata Capital Healthcare Fund II |
| 48 | Tata Capital Healthcare II General Partners LLP |
| 49 | Tata Housing Development Company Limited |
| 50 | Apex Realty Private Limited |
| 51 | Concept Developers & Leasing Limited (formerly Concept Marketing and Advertising Limited) |
| 52 | HL Promoters Private Limited |
| 53 | HLT Residency Private Limited |
| 54 | Kolkata-One Excelton Private Limited |
| 55 | Kriday Realty Private Limited |
| 56 | Sector 113 Gatevida Developers Private Limited (formerly Lemon Tree Land & Developers Private Limited) |
| 57 | One-Colombo Project (Private) Limited |
| 58 | Promont Hillside Private Limited |
| 59 | Promont Hilltop Private Limited |
| 60 | Smart Value Homes (Boisar) Private Limited (formerly Niyati Sales Private Limited) |
| 61 | Smart Value Homes (Peenya Project) Private Limited (formerly Smart Value Homes (Boisar Project) Private Limited) |

| Sr. No. | Name |
|---|---|
| 62 | Tata Value Homes Limited (formerly Smart Value Homes Limited) |
| 63 | THDC Management Services Limited (formerly THDC Facility Management Limited) |
| 64 | World-One (Sri Lanka) Projects Pte. Limited |
| 65 | World-One Development Company Pte. Limited |
| 66 | Synergizers Sustainable Foundation |
| 67 | Smart Value Homes (New Project) LLP |
| 68 | One Bangalore Luxury Projects LLP |
| 69 | Ardent Properties Private Limited |
| 70 | Princeton Infrastructure Private Limited |
| 71 | Land kart Builders Private Limited |
| 72 | Tata Realty and Infrastructure Limited |
| 73 | Acme Living Solutions Private Limited |
| 74 | Arrow Infraestate Private Limited |
| 75 | Gurgaon Construct Well Private Limited |
| 76 | Gurgaon Realtech Limited |
| 77 | HV Farms Private Limited |
| 78 | TRIF Gurgaon Housing Projects Private Limited |
| 79 | Wellkept Facility Mangement Services Private Limited (formerly TRIL Hospitality Private Limited) |
| 80 | TRIL Roads Private Limited |
| 81 | TRIL Urban Transport Private Limited |
| 82 | TRIL Infopark Limited |

| Sr. No. | Name |
|---|---|
| 83 | Hampi Expressways Private Limited |
| 84 | Dharamshala Ropeway Limited |
| 85 | International Infrabuild Private Limited |
| 86 | Uchit Expressways Private Limited |
| 87 | Durg Shivnath Expressways Private Limited (formerly SMS Shivnath Infrastructure Private Limited) |
| 88 | Matheran Rope-Way Private Limited |
| 89 | MIA Infrastructure Private Limited |
| 90 | TRIL Bengaluru Real Estate One Private Limited |
| 91 | TRIL Bengaluru Consultants Private Limited (formerly TRIL Bengaluru Real Estate Two Private Limited) |
| 92 | TRIL Bengaluru Real Estate Three Private Limited |
| 93 | TRIL IT4 Private Limited (formerly Albrecht Builder Private Limited) |
| 94 | Infopark Properties Limited |
| 95 | Tata Trustee Company Private Limited (formerly Tata Trustee Company Limited) |
| 96 | Tata Play Limited (formerly Tata Sky Limited) |
| 97 | Actve Digital Services Private Limited |
| 98 | Tata Sky Broadband Private Limited (formerly Quickest Broadband Private Limited) |
| 99 | TSBB Voice Private Limited |
| 100 | Niskalp Infrastructure Services Limited (formerly Niskalp Energy Limited) |
| 101 | India Emerging Companies Investment Limited |

| Sr. No. | Name |
|---|---|
| 102 | Inshaallah Investments Limited |
| 103 | Tata Industries Limited |
| 104 | Qubit Investments Pte. Limited |
| 105 | Flisom-AG |
| 106 | 915 Labs Inc (formerly 915 Labs LLC) |
| 107 | Flisom Hungary Kft |
| 108 | Tata Autocomp Systems Limited |
| 109 | Automotive Stampings and Assemblies Limited |
| 110 | Nanjing Tata Autocomp Systems Limited |
| 111 | TACO Engineering Services GmbH |
| 112 | Changshu Tata AutoComp Systems Limited |
| 113 | Tata Toyo Radiator Limited |
| 114 | TACO Sasken Automotive Electronics Limited |
| 115 | Ryhpez Holding (Sweden) AB |
| 116 | TitanX Holding AB |
| 117 | TitanX Engine Cooling Inc. |
| 118 | TitanX Engine Cooling Kunshan Co. Ltd. |
| 119 | TitanX Engine Cooling AB |
| 120 | TitanX Refrigeracão de Motores LTDA |
| 121 | TitanX Engine Cooling, Poland |
| 122 | Tata AutoComp Gotion Green Energy Solutions Private Limited |
| 123 | TitanX Engine Cooling SRL |

| Sr. No. | Name |
|---|---|
| 124 | Tata International Limited |
| 125 | Blackwood Hodge Zimbabwe (Private) Limited |
| 126 | Calsea Footwear Private Limited |
| 127 | Monroa Portugal, Comércio E Serviços, Unipessoal LDA |
| 128 | Move On Retail Spain, S.L. |
| 129 | Pamodzi Hotels Plc |
| 130 | Tata Africa (Cote D'Ivoire) SARL |
| 131 | Tata Africa Holdings (Ghana) Limited |
| 132 | TATA Africa Holdings (Kenya) Limited |
| 133 | Tata Africa Holdings (SA) (Proprietary) Limited |
| 134 | Tata Africa Holdings (Tanzania) Limited |
| 135 | Tata Africa Services (Nigeria) Limited |
| 136 | Tata De Mocambique, Limitada |
| 137 | Tata Holdings Mocambique Limitada |
| 138 | Tata International Metals (Americas) Limited (formerly Tata Steel International (North America) Limited) |
| 139 | Tata International Metals (Asia) Limited (formerly Tata Steel International (Hongkong) Limited |
| 140 | Tata International Metals (Guangzhou) Limited |
| 141 | Tata International Metals (UK) Limited (formerly Tata Steel International (UK) Limited) |
| 142 | Tata International Singapore Pte Limited |
| 143 | Tata South East Asia (Cambodia) Limited |

| Sr. No. | Name |
|---|---|
| 144 | Tata Uganda Limited |
| 145 | Tata West Asia FZE |
| 146 | Tata Zambia Limited |
| 147 | Tata Zimbabwe (Private) Limited (dormant) |
| 148 | TIL Leather Mauritius Limited |
| 149 | Tata International West Asia DMCC |
| 150 | Motor-Hub East Africa Limited |
| 151 | Tata International Vietnam Company Limited |
| 152 | Tata International Unitech (Senegal) SARL (formerly Tata Africa (Senegal) S.A.R.L.) |
| 153 | Tata International Canada Limited |
| 154 | Newshelf 1369 Pty Ltd |
| 155 | Alliance Finance Corporation Limited |
| 156 | AFCL Ghana Limited |
| 157 | AFCL Premium Services Ltd. |
| 158 | AFCL Zambia Limited |
| 159 | Alliance Leasing Limited |
| 160 | Stryder Cycle Private Limited |
| 161 | AFCL RSA (Pty) Limited |
| 162 | TISPL Trading Company Limited (formerly Tata International Myanmar Limited) |
| 163 | Société Financière Décentralisé Alliance Finance Corporation Senegal |
| 164 | Tata International DLT Private Limited |

| Sr. No. | Name |
|---|---|
| 165 | Taj Air Limited |
| 166 | Impetis Biosciences Limited |
| 167 | Tata Teleservices Limited |
| 168 | Tata Tele NXTGEN Solutions Limited (formerly MMP Mobi Wallet Payment Systems Limited) |
| 169 | NVS Technologies Limited |
| 170 | TTL Mobile Private Limited (formerly Virgin Mobile (India) Private Limited) |
| 171 | Tata Teleservices (Maharashtra) Limited |
| 172 | AirAsia (India) Limited |
| 173 | Tata Digital Private Limited (formerly Tata Digital Limited) |
| 174 | Tata Payments Limited |
| 175 | Supermarket Grocery Supplies Private Limited |
| 176 | Innovative Retail Concepts Private Limited |
| 177 | Savis Retail Private Limited |
| 178 | Delyver Retail Network Private Limited |
| 179 | Dailyninja Delivery Services Private Limited |
| 180 | Tata 1mg Technologies Private Limited |
| 181 | Tata 1mg Healthcare Solutions Private Limited |
| 182 | LFS Healthcare Private Limited |
| 183 | Infiniti Retail Limited |
| 184 | Tata Fintech Private Limited |
| 185 | Protraviny Private Limited |

| Sr. No. | Name |
|---|---|
| 186 | Tata Medical and Diagnostics Limited |
| 187 | Talace Private Limited |
| 188 | Air India Limited |
| 189 | Air India Express Limited |
| 190 | Tata Electronics Private Limited (formerly TRIL Bengaluru Real Estate Four Private Limited) |
| 191 | Vidiyal Residency Private Limited |
| 192 | Tata Business Hub Limited |
| 193 | Tata Elxsi Limited |
| 194 | Tata Communications Limited |
| 195 | Tata Communications Transformation Services Limited |
| 196 | Tata Communications Collaboration Services Private Limited |
| 197 | Tata Communications Payment Solutions Limited |
| 198 | Tata Communications Lanka Limited |
| 199 | Tata Communications Services (International) Pte. Limited |
| 200 | Tata Communications (Bermuda) Limited |
| 201 | Tata Communications (Netherlands) B.V. |
| 202 | Tata Communications (Hong Kong) Limited |
| 203 | ITXC IP Holdings S.A.R.L. |
| 204 | Tata Communications (America) Inc. |
| 205 | Tata Communications (International) Pte Limited |
| 206 | Tata Communications (Canada) Limited |
| 207 | TATA COMMUNICATIONS (BELGIUM) SRL (formerly Tata Communications (Belgium) S.P.R.L.) |

| Sr. No. | Name |
|---|---|
| 208 | Tata Communications (Italy) SRL |
| 209 | Tata Communications (Portugal) Unipessoal LDA |
| 210 | Tata Communications (France) SAS |
| 211 | Tata Communications (Nordic) AS |
| 212 | Tata Communications (Guam) L.L.C. |
| 213 | Tata Communications (Portugal) Instalacao E Manutencao De Redes LDA |
| 214 | Tata Communications (Australia) Pty Limited |
| 215 | Tata Communications SVCS Pte Ltd (formerly Tata Communications Services (Bermuda) Limited |
| 216 | Tata Communications (Poland) SP.Z.O.O. |
| 217 | Tata Communications (Japan) KK. |
| 218 | Tata Communications (UK) Limited |
| 219 | Tata Communications Deutschland GMBH |
| 220 | Tata Communications (Middle East) FZ-LLC |
| 221 | Tata Communications (Hungary) KFT |
| 222 | Tata Communications (Ireland) DAC |
| 223 | Tata Communications (Russia) LLC |
| 224 | Tata Communications (Switzerland) GmbH |
| 225 | Tata Communications (Sweden) AB |
| 226 | TCPOP Communication GmbH |
| 227 | Tata Communications (Taiwan) Limited |
| 228 | Tata Communications (Thailand) Limited |

| Sr. No. | Name |
|---|---|
| 229 | Tata Communications (Malaysia) Sdn. Bhd. |
| 230 | Tata Communications Transformation Services South Africa (Pty) Ltd |
| 231 | Tata Communications (Spain) S.L. |
| 232 | Tata Communications (Beijing) Technology Limited |
| 233 | VSNL SNOSPV Pte. Limited |
| 234 | Tata Communications (South Korea) Limited |
| 235 | Tata Communications Transformation Services (Hungary) Kft. |
| 236 | Tata Communications Transformation Services Pte Limited |
| 237 | Tata Communications (Brazil) Participacoes Limitada |
| 238 | Tata Communications Transformation Services (US) Inc |
| 239 | Tata Communications Comunicacoes E Multimídia (Brazil) Limitada |
| 240 | Nexus Connexion (SA) Pty Limited |
| 241 | SEPCO Communications (Pty) Limited |
| 242 | Tata Communications (New Zealand) Limited |
| 243 | Tata Communications MOVE B.V.(formerly Teleena Holding B.V.) |
| 244 | Tata Communications MOVE Nederland B.V. (formerly Teleena Nederland B.V.) |
| 245 | MuCoso B.V. (formerly Tata Communications MuCoso B.V.) |
| 246 | NetFoundry Inc. |
| 247 | TCTS Senegal Limited |
| 248 | OASIS Smart SIM Europe SAS |
| 249 | Oasis Smart E-Sim Pte Ltd |

## List of subsidiaries of Tata Motors Limited as on March 31, 2022

| Sr. No. | Name |
|---|---|
| 1 | TML Business Services Limited (TMLBSL) |
| 2 | Tata Motors Insurance Broking and Advisory Services Limited |
| 3 | Tata Hispano Motors Carrocera S.A. |
| 4 | Tata Hispano Motors Carrocerries Maghreb SA |
| 5 | TMF Holdings Limited |
| 6 | TML Holdings Pte. Limited |
| 7 | Brabo Robotics and Automation Limited |
| 8 | Tata Precision Industries Pte. Limited |
| 9 | Tata Technologies Limited |
| 10 | Tata Marcopolo Motors Limited |
| 11 | JT Special Vehicles Pvt. Limited |
| 12 | TML CV Mobility Solutions Limited |
| 13 | Tata Passenger Electric Mobility Ltd. |
| 14 | Tata Motors Passenger Vehicles Limited (Name changed from TML Business Analytics Services Limited with effect from September 17, 2021) |
| 15 | Tata Motors European Technical Centre PLC |
| 16 | Trilix S.r.l. |
| 17 | Tata Daewoo Commercial Vehicle Company Limited |
| 18 | Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited |

| Sr. No. | Name |
|---|---|
| 19 | PT Tata Motors Indonesia |
| 20 | PT Tata Motors Distribusi Indonesia |
| 21 | Jaguar Land Rover Automotive plc |
| 22 | Tata Motors (Thailand) Limited |
| 23 | Tata Motors (SA) (Proprietary) Limited |
| 24 | Jaguar Land Rover Holdings Limited |
| 25 | Limited Liability Company “Jaguar Land Rover” (Russia) |
| 26 | Jaguar Land Rover (China) Investment Co. Ltd. |
| 27 | Jaguar Land Rover Limited |
| 28 | In-Car Ventures Limited |
| 29 | Shanghai Jaguar Land Rover Automotive Services Company Limited |
| 30 | Jaguar Land Rover Austria GmbH |
| 31 | Jaguar Land Rover Japan Limited |
| 32 | JLR Nominee Company Limited (dormant) |
| 33 | Jaguar Land Rover Deutschland GmbH |
| 34 | Jaguar Land Rover Classic Deutschland GmbH |
| 35 | Jaguar Land Rover North America LLC |
| 36 | Jaguar Land Rover Nederland BV |
| 37 | Jaguar Land Rover Portugal-Veículos e Peças, Lda. |
| 38 | Jaguar Land Rover Australia Pty Limited |
| 39 | Jaguar Land Rover Italia Spa |

| Sr. No. | Name |
|---|---|
| 40 | Jaguar Land Rover Korea Company Limited |
| 41 | Jaguar Land Rover Canada ULC |
| 42 | Jaguar Land Rover France, SAS |
| 43 | Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA |
| 44 | Jaguar Land Rover India Limited |
| 45 | Jaguar Land Rover Espana SL |
| 46 | Jaguar Land Rover Belux NV |
| 47 | Jaguar Cars South Africa (Pty) Limited (dormant) |
| 48 | Jaguar Cars Limited (dormant) |
| 49 | Land Rover Exports Limited (dormant) |
| 50 | Land Rover Ireland Limited (non-trading) |
| 51 | The Daimler Motor Company Limited (dormant) |
| 52 | Daimler Transport Vehicles Limited (dormant) |
| 53 | S.S. Cars Limited (dormant) |
| 54 | The Lanchester Motor Company Limited (dormant) |
| 55 | Jaguar Land Rover Pension Trustees Limited (dormant) |
| 56 | Jaguar Land Rover Slovakia s.r.o |
| 57 | Jaguar Land Rover Singapore Pte. Ltd. |
| 58 | Jaguar Racing Limited |
| 59 | Jaguar Land Rover Colombia S.A.S |
| 60 | Jaguar Land Rover Ireland (Services) Limited |
| 61 | Jaguar Land Rover Taiwan Company Limited |

| Sr. No. | Name |
|---|---|
| 62 | Jaguar Land Rover Servicios México, S.A. de C.V. |
| 63 | Jaguar Land Rover México, S.A.P.I. de C.V. |
| 64 | Jaguar Land Rover Hungary KFT |
| 65 | Jaguar Land Rover Classic USA LLC (dormant) |
| 66 | Jaguar Land Rover (South Africa) Holdings Limited |
| 67 | Jaguar Land Rover Ventures Limited |
| 68 | InMotion Ventures Limited |
| 69 | Spark44 (JV) Limited |
| 70 | Bowler Motors Limited |
| 71 | Jaguar Land Rover (Ningbo) Trading Co. Limited |
| 72 | Jaguar Land Rover (South Africa) (Pty) Limited |
| 73 | Spark44 Pty. Ltd. (Sydney, Australia) |
| 74 | Spark44 GmbH (Frankfurt, Germany) |
| 75 | Spark44 LLC (NYC, USA) |
| 76 | Spark44 Shanghai Limited (Shanghai, China) |
| 77 | Spark44 DMCC (Dubai, UAE) |
| 78 | Spark44 Demand Creation Partners Private Limited (Mumbai, India) |
| 79 | Spark44 Limited (London & Birmingham, UK) |
| 80 | Spark44 Singapore Pte. Ltd. (Singapore) |
| 81 | Spark44 Communications SL (Madrid, Spain) |
| 82 | Spark44 S.r.l. (Rome, Italy) |
| 83 | Spark44 Seoul Limited (Korea) |

| Sr. No. | Name |
|---|---|
| 84 | Spark44 Japan K.K. (Tokyo, Japan) |
| 85 | Spark44 Canada Inc (Toronto, Canada) |
| 86 | Spark44 Pty. Limited (South Africa) |
| 87 | Spark44 Colombia S.A.S. (Colombia) |
| 88 | Spark44 Taiwan Limited (Taiwan) |
| 89 | InMotion Ventures 2 Limited |
| 90 | InMotion Ventures 3 Limited |
| 91 | Tata Technologies Pte. Limited |
| 92 | Tata Technologies (Thailand) Limited |
| 93 | Tata Manufacturing Technologies (Shanghai) Co. Limited |
| 94 | INCAT International Plc. |
| 95 | Tata Technologies GmbH |
| 96 | Tata Technologies Europe Limited |
| 97 | Tata Technologies Nordics AB |
| 98 | Tata Technologies Inc. |
| 99 | Tata Technologies de Mexico, S.A. de C.V. |
| 100 | Cambric Limited |
| 101 | Tata Technologies SRL Romania |
| 102 | Tata Motors Finance Solutions Limited |
| 103 | Tata Motors Finance Limited |

**List of subsidiaries of the Company (other than wholly owned subsidiaries) as on March 31, 2022**

| Sr No. | Name of the Subsidiary |
|---|---|
| 1 | APTOnline Limited |
| 2 | MP Online Limited |
| 3 | C-Edge Technologies Limited |
| 4 | MahaOnline Limited |
| 5 | Tata Consultancy Services (China) Co., Ltd. |
| 6 | Tata Consultancy Services Japan, Ltd. |

# Directors' Report



To the Members,

The Directors present this Integrated Annual Report of Tata Consultancy Services Limited (the Company or TCS) along with the audited financial statements for the financial year ended March 31, 2022.

To support 'Green initiative', the Abridged Integrated Annual Report has been sent to the Members whose e-mail ids are not registered with the Company / Depositories.

The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## 1. Financial results

(₹ crore)

| | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Financial Year 2021-22 (FY 2022) | Financial Year 2020-21 (FY 2021) | Financial Year 2021-22 (FY 2022) | Financial Year 2020-21 (FY 2021) |
| Revenue from operations | 1,60,341 | 1,35,963 | 1,91,754 | 1,64,177 |
| Other income | 7,486 | 5,400 | 4,018 | 3,134 |
| **Total income** | **1,67,827** | **1,41,363** | **1,95,772** | **1,67,311** |
| **Expenses** | | | | |
| Operating expenditure | 1,14,096 | 95,653 | 1,38,697 | 1,17,631 |
| Depreciation and amortisation expense | 3,522 | 3,053 | 4,604 | 4,065 |
| **Total expenses** | **1,17,618** | **98,706** | **1,43,301** | **1,21,696** |
| Profit before finance costs, exceptional item and tax | 50,209 | 42,657 | 52,471 | 45,615 |
| Finance costs | 486 | 537 | 784 | 637 |
| **Profit before exceptional item and tax** | **49,723** | **42,120** | **51,687** | **44,978** |
| **Exceptional item** | | | | |
| Provision towards legal claim | - | 1,218 | - | 1,218 |
| **Profit before tax** | **49,723** | **40,902** | **51,687** | **43,760** |
| Tax expense | 11,536 | 9,942 | 13,238 | 11,198 |
| **Profit for the year** | **38,187** | **30,960** | **38,449** | **32,562** |
| **Attributable to:** | | | | |
| Shareholders of the Company | 38,187 | 30,960 | 38,327 | 32,430 |
| Non-controlling interests | NA | NA | 122 | 132 |
| **Opening balance of retained earnings** | **70,928** | **71,532** | **79,586** | **78,810** |
| **Closing balance of retained earnings** | **68,949** | **70,928** | **78,158** | **79,586** |

## 2. COVID-19

The COVID-19 pandemic, continued to be a global challenge, creating disruption across the world. In the first three months of FY 2022, the second wave of the pandemic overwhelmed India's medical infrastructure. Through this trying period, hospitalization support was provided and Covid care centers were opened in TCS facilities in 13 cities to help affected associates and their families. This was in addition to the medical helplines, self-help and counseling services provided from the start of the pandemic.

Amid the pandemic, the Company launched a PAN-India vaccination drive for its employees and their families to ensure the safety and well-being of the associates and their families covering over a million individuals in all, across all the TCS locations and smaller cities from where some of the employees were remote-working.

## 3. Return of surplus funds to Shareholders

In line with the practice of returning 80 to 100 percent free cash flow to shareholders and based on the Company's performance, the Directors have declared three interim dividends of ₹7 per equity share aggregating to ₹21 per equity share involving a cash outflow of ₹7,768 crore during the year. The Directors have also recommended a final dividend of ₹22 per equity share, the final dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹8,050 crore. The total dividend for FY 2022 amounts to ₹43 per equity share and would involve a total cash outflow of ₹15,818 crore, resulting in a dividend payout of 41.4 percent of the standalone profits of the Company.

In addition to the above, the Company bought back 4,00,00,000 equity shares at a price of ₹4,500 per equity share for an aggregate consideration of ₹18,000 crore. The offer size of the buyback was 21.03 percent and 19.06 percent of the aggregate fully paid-up equity share capital and free reserves as per audited condensed standalone interim financial statements and audited condensed consolidated interim financial statements of the Company as at December 31, 2021, respectively.
The buyback represented 1.08 percent of the total issued and paid-up equity share capital of the Company as at December 31, 2021.
The settlement of bids and payment of buyback consideration was made on March 28, 2022 and the shares were extinguished on March 29, 2022.

The shareholders' payout with respect to dividend and buyback including tax on buyback (excluding transaction costs, other incidental and related expenses) aggregated to ₹38,010 crore, resulting in a payout of 99.5 percent of the standalone profits of the Company.

For FY 2021, the Company paid a total dividend of ₹38 per equity share, which resulted in an outflow of ₹14,147 crore and a dividend payout of 44.3 percent* of the standalone profits of the Company. In addition to the above, the Company bought back 5,33,33,333 equity shares at a price of ₹3,000 per equity share for an aggregate consideration of ₹16,000 crore. The offer size of the buyback was 19.96 percent and 18.11 percent of the aggregate paid-up equity share capital and free reserves as per audited condensed standalone interim financial statements and audited condensed consolidated interim financial statements of the Company as at September 30, 2020, respectively.
The buyback represented 1.42 percent of the total issued and paid-up equity share capital of the Company. The buyback process was completed and the shares were extinguished on January 6, 2021.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations

*Excluding provision towards legal claim.

and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is available on the Company's website at https://on.tcs.com/Dividend.

## 4. Transfer to reserves

The closing balance of the retained earnings of the Company for FY 2022, after all appropriations and adjustments was ₹68,949 crore.

## 5. Company's performance

On a consolidated basis, the revenue for FY 2022 was ₹1,91,754 crore, higher by 16.8 percent over the previous year's revenue of ₹1,64,177 crore. The profit after tax ("PAT") attributable to shareholders and non-controlling interests for FY 2022 and FY 2021 was ₹38,449 crore and ₹33,520 crore*, respectively. The PAT attributable to shareholders for FY 2022 was ₹38,327 crore* registering a growth of 14.8 percent over the PAT of ₹33,388 crore* in FY 2021.

On a standalone basis, the revenue for FY 2022 was ₹1,60,341 crore, higher by 17.9 percent over the previous year's revenue of ₹1,35,963 crore. The PAT attributable to shareholders in FY 2022 was ₹38,187 crore registering a growth of 19.6 percent over the PAT of ₹31,918 crore* in FY 2021.

*Excluding provision towards legal claim.

## 6. Quality initiatives

The Company continues to sustain its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management.

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

TCS successfully completed the annual ISO surveillance audit and has been recommended for continuation of its enterprise-wide certification. This year, TCS has expanded the scope of enterprise certification to include conformance to Privacy Information Management Systems Standard (ISO 27701:2019). TCS's enterprise ISO certification scope includes conformance to the following globally recognized standards: ISO 9001:2015 (Quality Management), ISO 20000:2018 (IT Service Management), ISO 22301:2019 (Business Continuity Management), ISO 27001:2013 (Information Security Management) and compliance to ISO 27017:2015 (Information Security Controls for Cloud Services), ISO 27018:2019 (Protection of PII in Public Clouds as PII Processors) and ISO 27701:2019 (Privacy Information Management Systems).

During second wave of the pandemic, the Company was actively monitoring all customer engagements across the globe to minimize risks and ensure continuity of services. This was achieved through daily tracking, digitized multi-level dashboards and differentiated governance of critical engagements.

The customer-centricity, rigor in operations and focus on delivery excellence have resulted in sustained high customer satisfaction levels in the periodic surveys conducted by the Company. This is validated by top rankings in third party surveys as well. In these surveys, TCS achieved the top position in customer satisfaction for the ninth consecutive year, with an overall satisfaction score of 84 percent compared to the industry average of 75 percent.

TCS has also received multiple awards from CII and National Institute for Quality and Reliability this year. TCS won the Data Security Council of India (DSCI) Excellence Award 2021 in two categories - Best Privacy Practices in Organization and Best Security Practices in IT-ITes/ BPM (Large).

## 7. Subsidiary companies

The Company has 52 subsidiaries as on March 31, 2022. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

- The name of W12 Studios Limited was changed to Tata Consultancy Services UK Limited w.e.f. May 24, 2021.
- On May 26, 2021, Tata Consultancy Services Netherlands B.V., a 100 percent subsidiary of the Company, increased its equity stake to 100 percent in Tata Consultancy Services Saudi Arabia on acquisition of Saudi Desert Rose Holding B.V.
- Tata Consultancy Services Ireland Limited, a 100 percent subsidiary of the Company, incorporated a wholly owned subsidiary, Tata Consultancy Services Bulgaria EOOD in Bulgaria on August 31, 2021.
- TCS Iberoamerica SA, a 100 percent subsidiary of the Company, incorporated a subsidiary, Tata Consultancy Services Guatemala, S.A. in Guatemala on September 1, 2021.
- The name of Postbank Systems AG changed to TCS Technology Solutions AG w.e.f. December 27, 2021.
- TCS e-Serve America, Inc. was liquidated w.e.f. December 29, 2021.

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

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

## 8. Directors' responsibility statement

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

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

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

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

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

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

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work

performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2022.

## 9. Directors and key managerial personnel

The Board of Directors at its meeting held on October 8, 2021, subject to approval of the shareholders, approved the re-appointment of Rajesh Gopinathan (DIN 06365813) as the Chief Executive Officer and Managing Director of the Company for a further period of five years from February 21, 2022 and re-appointment of N Ganapathy Subramaniam (DIN 07006215) as Chief Operating Officer and Executive Director from February 21, 2022 to May 19, 2024, as per the retirement age policy for the Directors of the Company.

N Ganapathy Subramaniam (DIN 07006215) retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment along with other required details forms part of the Notice.

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

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

Samir Seksaria took over as the Chief Financial Officer, with effect from May 1, 2021, in place of V Ramakrishnan, who retired from the services of the Company w.e.f. April 30, 2021.
Samir Seksaria has been with TCS since 1999 and has held various positions in business consulting and finance. He is a commerce graduate from Narsee Monjee College, Mumbai and a member of the Institute of Chartered Accountants of India.

During the year under review, the Board at its meeting held on October 8, 2021 appointed Pradeep Manohar Gaitonde as the Company Secretary and Compliance Officer of the Company to take over from Rajendra Moholkar as Company Secretary and Compliance Officer, with effect from November 1, 2021.
Pradeep Manohar Gaitonde is a member of the Institute of Company Secretaries of India and the Institute of Chartered Accountants of India. He has degrees in Commerce and General Law. He joined TCS in 2006 and has over thirty years of experience in finance, governance and secretarial functions.

The Board places on record its appreciation for V Ramakrishnan and Rajendra Moholkar for their invaluable contribution and guidance during their tenure as Chief Financial Officer, and Company Secretary and Compliance Officer, respectively.

Pursuant to the provisions of Section 203 of the Act, Rajesh Gopinathan, Chief Executive Officer and Managing Director, N Ganapathy Subramaniam, Chief Operating Officer and Executive Director, Samir Seksaria, Chief Financial Officer and Pradeep Manohar Gaitonde, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2022.

## 10. Number of meetings of the Board

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

## 11. Board evaluation

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

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

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

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

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

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

## 12. Policy on directors' appointment and remuneration and other details

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

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

## 13. Corporate social responsibility (CSR)

TCS' CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure I** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. This Policy is available on the Company's website at https://on.tcs.com/Global-CSR-Policy

## 14. Internal financial control systems and their adequacy

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

## 15. Audit committee

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

## 16. Auditors

B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022) the statutory auditors of the Company, will hold office till the conclusion of the twenty-seventh Annual General Meeting of the Company. The Board has recommended the re-appointment of B S R & Co. LLP, Chartered Accountants as the statutory auditors of the Company, for a second term of five consecutive years, from the conclusion of the twenty-seventh Annual General Meeting scheduled to be held in the year 2022 till the conclusion of the thirty-second Annual General Meeting to be held in the year 2027, for approval of shareholders of the Company, based on the recommendation of the Audit Committee.

## 17. Auditor's report and Secretarial audit report

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

## 18. Risk management

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company.

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

## 19. Vigil Mechanism

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

## 20. Particulars of loans, guarantees and investments

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

## 21. Transactions with related parties

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2022 and hence does not form part of this report.

Pursuant to SEBI Listing Regulations, the resolution for seeking approval of the shareholders on material related party transactions is being placed at the AGM.

## 22. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website at https://on.tcs.com/annual-return-21-22.

## 23. Particulars of employees

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

a. The ratio of the remuneration of each director to the median remuneration of the

employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

| Name | Ratio to median remuneration | % increase in remuneration in the financial year |
|---|---|---|
| **Non-executive Directors:** | | |
| N Chandrasekaran* | - | - |
| O P Bhatt | 38.49 | 8.70 |
| Aarthi Subramanian# | - | - |
| Dr Pradeep Kumar Khosla | 34.64 | 21.62 |
| Hanne Sorensen | 34.64 | 21.62 |
| Keki Mistry | 38.49 | 25.00 |
| Don Callahan | 34.64 | 12.50 |
| **Executive Directors:** | | |
| Rajesh Gopinathan | 396.67 | 26.52 |
| N Ganapathy Subramaniam | 318.52 | 28.47 |
| **Chief Financial Officer** | | |
| Samir Seksaria## | - | $ |
| V Ramakrishnan### | - | $ |
| **Company Secretary** | | |
| Pradeep Manohar Gaitonde@ | - | $ |
| Rajendra Moholkar@@ | - | $ |

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

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

## Appointed as Chief Financial Officer w.e.f. May 1, 2021.

### Relinquished the office of Chief Financial Officer w.e.f. April 30, 2021.

@ Appointed as Company Secretary and Compliance Officer w.e.f. November 1, 2021.

@@ Relinquished the office of Company Secretary and Compliance Officer w.e.f. October 31, 2021

$ Since the remuneration is only for part of the year, the percentage increase in remuneration is not comparable and hence, not stated.

b. The percentage increase in the median remuneration of employees in the financial year is 4.24 percent

c. The number of permanent employees on the rolls of Company are 5,92,195

d. The average annual increase was in the range of 5-8 percent in India. However, during the course of the year, the total increase is approximately 10.5 percent, after accounting for promotions and other event based compensation revisions. Employees outside India received a wage increase varying from 1.5 to 6 percent.

The increase in remuneration is in line with the market trends in the respective countries. In order to ensure that remuneration reflects the Company's performance, the performance pay is also linked to organization performance and individual utilization in addition to individual performance.

Increase in the managerial remuneration for the year was 27.38 percent.

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

f. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report.

Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

## 24. Integrated Report

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

## 25. Disclosure requirements

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the integrated Management Discussion and Analysis, the Business Responsibility and Sustainability Report ("BRSR") form part of the Director's Report.

The Company has provided BRSR, in lieu of the Business Responsibility Report which indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct'. This would enable the Members to have an insight into environmental, social and governance initiatives of the Company.

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

## 26. Deposits from public

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

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

**Conservation of energy**

The Company is committed towards conservation of energy and climate action which is reaffirmed in its Environmental Sustainability Policy (https://on.tcs.com/Environmental-Sustainability).

Through the reporting year, initiatives were aligned towards achieving these targets. Having already switched over to LED lights across all offices in 2020, this year the focus was on cooling system and UPS efficiencies. Offices with old/inefficient air conditioners were upgraded to energy efficient and energy star rated cooling systems. Initiatives to optimize the UPS load included UPS resizing and switch over to modular UPS. The data center PUE of 1.65 was achieved for the corporate data centers at Yantra Park and Siruseri. The Company is also incorporating next generation green data center practices with futuristic and modular technologies like modular UPS, cold aisle containment, real time monitoring of temperature and energy consumption.

The Company continued to augment the roof top solar photo voltaic installations this year as well taking the total installed capacity to 10.2 MWp contributing to 3.76 percent of total electricity use in the reporting year. The Company increased the renewable energy procurement through third party power purchase agreement (PPA) for solar energy at TCS Siruseri campus and switch over to green tariff for its operations in the states of Karnataka and Maharashtra. This resulted in an increase in the renewable energy use to 37.2 percent of total electricity use.

The Company has become carbon neutral across Scope 1 and Scope 2 for its operations in Asia Pacific (APAC), Europe and North America (NA) for this reporting year. These efforts helped achieve a year-on-year reduction in absolute carbon footprint reduction (across Scope 1 and Scope 2) across TCS' global operations by 25 percent. The electricity use across India operations reduced by 6.54 percent y-o-y. For global operations, there is an increase in total electricity use (y-o-y) by approx. 2.7 percent due to increased reporting boundary to include operations in NA, APAC, Europe and Middle East and Africa (MEA) regions.

Continued focus on the above initiatives will enable steer the Company towards achieving its carbon target to reduce its absolute Scope 1 + Scope 2 carbon footprint by 70 percent by 2025 over the baseline on 2016 and also to become net zero by 2030.

**Technology absorption, adaption and innovation**

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

FY 2022 marked the beginning of TCS' fifth decade as a research-focused organization. Activities that strengthened both brands related to R&D are specified here. TCS Research as a brand, highlights the Company's ability to invent with impact, and explore futuristic ideas with the wider academic ecosystem. The TCS Pace™ brand stands for its innovation capability, by which intellectual content is made tangible and experiential to customers.

TCS continues to expand its foundational research in computing and its intersection with the sciences. New areas of research include sensing, digital twins for social systems, efficient and robust AI and deep learning, quantum computing and generative design for materials, manufacturing and life sciences. Work began with cross-functional teams on strategic initiatives such as Future of Software Development and Sustainability. Research on other strategic initiatives continued.

More of TCS' IP based products and platforms were made available natively on hyperscaler cloud platforms. While TCS BaNCS™ suite in financial services, TCS Optumera™ and TCS Omnistore™ in retail, TCS HOBS™ in telecom and TCS ADD™ in life sciences were made available on AWS last year, TCS Aviana™ for travel customers followed suit this year. TCS' Cognitive Plant Operations Adviser (CPOA), an amalgamation of IP-based solutions for

manufacturing has also been developed using Microsoft Azure Cloud capabilities. TCS MasterCraft™ is now on the Microsoft Azure Marketplace. TCS Clever Energy™, TCS Envirozone™ were launched on Microsoft's Azure IoT platform to help organizations gain insights into energy usage and reduce waste and emissions. Many of these products and platforms are available on Google Cloud as well. TCS also has a rich suite of cloud accelerators rendered on the Google Cloud Garages launched at TCS Pace Ports.

The best of TCS' innovation assets, capabilities, and practices were brought to customers through experiential initiatives. The Company's Pace Ports, spaces that connect customers to all of TCS' organizational capabilities in innovation, technology and industry expertise, hosted several events and workshops. TCS Pace Ports are active across geographies. The Company launched a Pace Port™ in Amsterdam formally this year to bring TCS' ecosystem of partners from academia, government institutions, start-ups and technology providers to co-innovate with European customers with a focus on sustainability.

'Powered by Pace' centres were launched across the globe to help customers leverage co-innovation and accelerate digital transformation. These include the digital innovation lab at the Letterkenny Global Delivery Centre, Ireland; Digital Garage Innovation Centre at Sydney; and the All-women Innovation Lab at Riyadh. TCS' Agile Innovation Cloud (AIC) was adopted by multiple customers this year.

TCS Co-Innovation Network (TCS COIN™) expanded its global footprint with more than 55 active academic partnerships and over 2,600 start-up partners in the network.

In keeping with the Company's commitment to social responsibility and sustainability, TCS Research its continued focus on energy, circularity, and development related projects. Several other initiatives were undertaken: TCS and Glasgow University launched UK Sustainathon 2021 to empower UK university students to tackle sustainability challenges using digital technologies, the winners of which showcased their idea at the TCS Innovation Forum 2021 in UK. The second edition of TCS Sustainathon ASEAN 2021 expanded beyond Singapore to Malaysia and Philippines. It focused on 'Reimagining Education.' Sustainathon - The Balancing Act, a Europe-wide sustainathon in alignment with Conference of Parties 26 (COP 26) and the European Green Deal was also launched in FY 2022.

In line with the Company's belief of building greater futures through innovation and collective knowledge, R&I continued to combine know-how and innovation mindset across the organization by regularly organizing crowdsourcing initiatives. TCS Innovista 2022, attracted 11,970 entries across the organization. TCS secured 4 wins at TATA Innovista 2021. Innovation Champions continued to be active across several accounts facilitating TCS customers' growth and transformation journeys. TCS Innovation Forum 2021 with sustainability as a theme was held in seven geographies; many Innovation Days were held with customers across industries.

The ninth season of TCS CodeVita, won the Guinness World Records™ title for the world's largest computer programming competition with 1,36,054 participants from 34 countries.

Intellectual property of TCS R&I grew with more than 240 publications presented in top-tier conferences or published in journals. The Company continued to contribute to standards bodies especially in ISO SC7 and SC42 on Software and Systems Engineering and Artificial Intelligence, respectively. As of March 31, 2022, 6,583 patents have been filed

and 2,287 granted cumulatively by the Company. TCS won CII's Industrial Intellectual Property Awards 2021 for the Best Patents Portfolio in the Large Enterprises (Information and Communications Technology and Services) category, for the fifth consecutive year. TCS also won the ASSOCHAM IP Excellence Award 2021 for the best IP In-House Team of the Year.

**Future course of action:**

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

**Expenditure on R&D:**

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

Expenditure incurred in the R&D centers and innovation centers of TCS during FY 2022 and FY 2021 are given below:

(₹ crore)

| | Expenditure on R&D and innovation | Standalone | | Consolidated | |
|---|---|---|---|---|---|
| | | FY 2022 | FY 2021 | FY 2022 | FY 2021 |
| a. | Capital | -* | 1 | -* | 1 |
| b. | Recurring | 337 | 298 | 341 | 302 |
| c. | **Total R&D expenditure (a+b)** | **337** | **299** | **341** | **303** |
| d. | Innovation center expenditure | 1,841 | 1,546 | 1,901 | 1,614 |
| e. | **Total R&D and innovation expenditure (c+d)** | **2,178** | **1,845** | **2,242** | **1,917** |
| f. | R&D and innovation expenditure as a percentage of total turnover | 1.4% | 1.4% | 1.2% | 1.2% |

*Represents value less than ₹0.50 crore.

**Foreign exchange earnings and outgo**

Export revenue constituted 94.0 percent of the total standalone revenue in FY 2022 (94.0 percent in FY 2021).

(₹ crore)

| | Foreign exchange earnings and outgo | FY 2022 | FY 2021 |
|---|---|---|---|
| a. | Foreign exchange earnings | 1,55,240 | 1,30,720 |
| b. | CIF Value of imports | 216 | 241 |
| c. | Expenditure in foreign currency | 63,689 | 54,800 |

## 28. Acknowledgements

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support. The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

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

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

On behalf of the Board of Directors

**N Chandrasekaran**
Chairman
DIN No. 00121863

Mumbai, April 11, 2022

## Annual Report on CSR Activities

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

The Company believes that all are born with equal potential but not equal opportunity. TCS' vision is to empower people and communities, building self-reliance through purpose and technology while ensuring the values of fairness, equity and respect for human rights. The Company remains steadfast in its mission to connect people to opportunities in the digital economy while building equitable, inclusive pathways for all – especially women, youth and marginalized groups.

TCS, through various CSR initiatives and programs across globe, continues to invest in addressing the most pressing needs of the community. The primary focus areas are education, skilling, employment and entrepreneurship with a focus on bridging the opportunity gap for people and communities. The Company invests in basic health and wellness, water sanitation and hygiene, conservation and disaster relief efforts to support the basic needs of communities across the globe.

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

With a view to grow the capacity of grassroot organizations and the knowledge base of community issues, TCS also invests in strategic partnerships, research and insights and in providing pro-bono technology consulting.

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

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

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

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

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

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

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

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

CSR policy - https://www.tcs.com/content/dam/tcs/pdf/CSR/TCS_CSR_Policy.pdf

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

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

TCS has been conducting internal impact assessments to monitor and evaluate its strategic CSR programs. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and has initiated impact assessment of one CSR project (Tata Translational Cancer Research Center) through an independent agency. The report is available on the Company's website at https://on.tcs.com/IAR.

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

(₹ crore)

| Sr. No. | Financial Year | Amount available for set off from preceding financial years | Amount required to be set off for the financial year, if any |
|---|---|---|---|
| 1 | 2020-21 | 11 | NIL |

6. **Average net profit of the Company as per Section 135(5) of the Act:** ₹35,806 crore

7. (a) **Two percent of average net profit of the Company as per Section 135(5) of the Act:** ₹716 crore

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

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

   (d) **Total CSR obligation for the financial year (7a+7b-7c) :** ₹716 crore

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

(₹ crore)

| Total Amount Spent for the Financial Year | Amount Unspent | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 727 | NIL | - | - | NIL | - |

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

(₹ crore)

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Project duration | Amount allocated for the project | Amount spent in the current financial year | Amount transferred to Unspent CSR Account for the project as per Section 135(6) of the Act | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR registration number |
| 1 | Tata Translational Cancer Research Center | (i) | Yes | West Bengal | Kolkata | 6 years | 54 | 7 | - | No | Tata Medical Center Trust | CSR00002920 |
| 2 | BridgeIT - DF (Project 1) | (ii) | No | Mizoram, Karnataka | Aizawl, Raichur | 5 years | 1 | -* | - | No | Development Focus | CSR00002377 |
| 3 | BridgeIT - DF (Project 2) | (ii) | Yes | Karnataka, Odisha | Raichur, Yadgir, Gajapati and Rayagada | 5 years | 3 | -* | - | No | Development Focus | CSR00002377 |
| 4 | BridgeIT – Humana | (ii) | No | Jharkhand | Lohardaga and Latehar | 5 years | 1 | -* | - | No | Humana People to People India | CSR00000929 |
| | **TOTAL** | | | | | | | **7** | | | | |

*Represents value less than ₹0.50 crore.

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

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the project | | Amount spent for the project (₹ crore) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | State / Union Territories | District | | | Name | CSR registration number |
| 1 | Contribution for Schedule VII activities | (i), (ii), (iv), (v) | Yes | PAN India | | 680 | No | TCS Foundation | CSR00002960 |
| 2 | Healthcare projects | (i) | No | Maharashtra, Kerala, Andhra Pradesh, Uttar Pradesh | Ahmedanagar, Trissur, Pathanamthitta, Tirupati, Ayodhya | 15 | Yes | - | - |
| 3 | Education and skill building projects | (ii) | Yes | PAN India | | 10 | Yes | - | - |
| 4 | Employability training for rural youth | (ii), (iii) | Yes | PAN India | | 4 | Yes | - | - |
| 5 | Hospital Management System at Cancer Institute and Tata Medical Centre | (i) | Yes | Tamil Nadu, West Bengal | Chennai, Kolkata | 2 | Yes | - | - |
| 6 | Adult Literacy Program support | (ii) | Yes | Gujarat, Haryana, Jammu & Kashmir, Jharkhand, Maharashtra, Telangana, West Bengal | Ahmedabad, Palwal, Kathua, Latehar, Lohardaga, Mumbai, Hyderabad, Rangareddy, South 24 Parganas, Kolkata, West Midnapore | 1 | Yes | - | - |
| 7 | Jal Jeevan Mission | (i) | Yes | Himachal Pradesh, Uttarakhand, Maharashtra, Rajasthan, Jharkhand, Gujarat, Assam, Tripura, Ladakh, Karnakata, Uttar Pradesh and Andhra Pradesh | Shimla, Tehri Grehwal, Dehradun, Nashik, Sirohi, Hazaribag, Dahod, Kamrup rural and Kamrup urban, Dhalai, Tripura West, Leh, Yadgir, Lucknow, Krishna | 1 | Yes# | Tata Community Initiatives Trust | CSR00002739 |
| 8 | Community transformation projects | (ii) (iii) | Yes | PAN India | | -* | Yes | - | - |

*Represents value less than ₹0.50 crore.

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

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the project | | Amount spent for the project (₹ crore) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | State / Union Territories | District | | | Name | CSR registration number |
| 9 | goIT - Student Digital Innovation Program | (ii) | Yes | Andhra Pradesh, Gujarat, Jammu & Kashmir, Karnataka, Kerala, Maharashtra, Odisha, Tamil Nadu, West Bengal, Ladakh | Vizianagaram, Srikakulam, Anantapur, Kadapa, Ahmedabad, Dahod, Bharuch, Surat, Jammu, Tumkur, Chikkaballapur, Kolar, Bangalore, Mandya , Shivamogga, Ramanagara ,Dakshina Kannada, Raichur, Ernakulum, Wayanad, Palakkad, Kochi, Thane, Amravati, Nagpur, Solapur, Wardha, Akola, Yavatmal, Sangli, Pune, Osmanabad, Chandrapur, Anugul, Balasore, Bargarh, Bolangir, Boudh, Cuttack, Deogarh, Dhenkanal, Gajapati, Ganjam, Jajapur, Jharsuguda, Kalahandi, Kendrapada, Keunjhar, Khordha, Koraput, Malkangiri, Mayurbhanj, Nabarangpur, Nayagarh, Nuapada, Phulbani, Puri, Rayagada, Sambalpur, Sonepur, Sundargarh, Kancheepuram, Kolkata,Purulia, Leh | -* | Yes | - | - |
| 10 | Archaeometallurgical insights on ancient excavations | (v) | Yes | Tamil Nadu | Keeladi, Kodumanal, Adichanallur | -* | No | National Institute of Advanced Studies | CSR00007662 |
| 11 | IMF - Computational Thining Program | (ii) | Yes | Andhra Pradesh, Jammu & Kashmir, Ladakh, Maharashtra, Punjab, Tamil Nadu, Uttarakhand, West Bengal, Karnataka, Madhya Pradesh, Goa, Kerala | Chittoor, East Godavari, Guntur, Krishna, Kurnool, Nellore, Prakasam, Srikakulam, Vizianagaram, West Godavari, Anantapur, Kadapa, Visakhapatnam, Jammu, Poonch, Kupwara, Leh, Thane, Amravati, Nagpur, Ahmadnagar, Solapur, Wardha, Raigarh, Akola, Yavatmal, Sangli, Amritsar, Chennai, Almora, Dehradun, Bankura, Mysore, Tumkur, Chikkamagalore, Chikmagaluru, Chikkaballapur, Kolar, Bangalore, Mandya, Ramnagar, Shivamogga, Kolar, Ramanagara, Dakshina Kannada, Neemuch, North Goa, South Goa, Ernakulum, Kottayam, Alappuzha | -* | Yes | - | - |
| 12 | Infrastructure support to Hospital | (i) | Yes | Maharashtra | Mumbai | -* | No | Society for Rehabilitation of Crippled Children | CSR00003225 |

*Represents value less than ₹0.50 crore.

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the project | | Amount spent for the project (₹ crore) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | State / Union Territories | District | | | Name | CSR registration number |
| 13 | Scholarship program | (ii) | Yes | Madhya Pradesh | Chhindwara | -* | No | NIIT Foundation | CSR00000621 |
| 14 | Digital Nerve Centre | (i) | Yes | PAN India | | -* | Yes | - | - |
| | **TOTAL** | | | | | **713** | | | |

*Represents value less than ₹0.50 crore.

(d) **Amount spent in Administrative Overheads:** ₹7 crore

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

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e) :** ₹727 crore

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

(₹ crore)

| Sr. No. | Particulars | Amount |
|---|---|---|
| (i) | Two percent of average net profit of the Company as per Section 135(5) of the Act | 716 |
| (ii) | Total amount spent for the Financial Year | 727 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 11 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 11 |

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

(₹ crore)

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

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

(₹ crore)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| Sr. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project | Amount spent on the project in the reporting Financial Year | Cumulative amount spent at the end of reporting Financial Year | Status of the project - Completed / Ongoing |
| 1 | TTCRC | Tata Translational Cancer Research Centre | FY 2016 | 6 years | 54 | 7 | 54 | Completed |
| 2 | BridgeIT | BridgeIT - DF (Project 1) | FY 2018 | 5 years | 1 | -* | 1 | Ongoing |
| 3 | | BridgeIT - DF (Project 2) | FY 2020 | 5 years | 3 | -* | 2 | Ongoing |
| 4 | | BridgeIT - Humana | FY 2020 | 5 years | 1 | -* | 1 | Ongoing |
| 5 | | BridgeIT - CADAM (Project 1) | FY 2018 | 5 years | 3 | -* | 2 | Ongoing |
| 6 | | BridgeIT - CADAM (Project 2) | FY 2020 | 5 years | 6 | -* | 2 | Ongoing |
| 7 | IIIT | Setting up of IIIT at Guwahati, Vadodara, Srirangam, Ranchi and Nagpur in PPP mode | FY 2014 | Open ended | 29 | - | 16 | Ongoing |
| | **TOTAL** | | | | | **7** | | |

*Represents value less than ₹0.50 crore.

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

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

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

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

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

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

**Rajesh Gopinathan**
Chief Executive Officer and Managing Director
DIN No. 06365813

**N Chandrasekaran**
Chairman, Corporate Social Responsibility Committee
DIN No. 00121863

## Form No. MR-3
## Secretarial Audit Report
## for the financial year ended March 31, 2022

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Tata Consultancy Services Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2022 according to the applicable provisions of:

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

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

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

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

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

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

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based

Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and

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

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

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

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

c) Software Technology Parks of India rules and regulations

d) The Indian Copyright Act, 1957

e) The Patents Act, 1970

f) The Trade Marks Act, 1999

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

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

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review. The re-appointment of Mr. Rajesh Gopinathan as Chief Executive Officer & Managing Director and Mr. N. Ganapathy Subramaniam as Chief Operating Officer & Executive Director was carried out in compliance with the provisions of the Act.

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

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

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

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

The Company has completed buyback of 4,00,00,000 (four crores) fully paid-up equity shares of face value of ₹1 (Rupee One) each ("Equity Shares"), on a proportionate basis, through the Tender Offer route through the Stock Exchange mechanism as prescribed under the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, at a price of ₹4,500 (Rupees four thousand five hundred only) per Equity Share.

For **Parikh & Associates**
Company Secretaries

**P. N. Parikh**
Partner
FCS No: 327 CP No: 1228
UDIN: F000327D000062686
PR No.: 1129/2021

Place: Mumbai
Date: April 11, 2022

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

**'Annexure A'**

To,
The Members
Tata Consultancy Services Limited

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

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

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

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

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

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

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

For **Parikh & Associates**
Company Secretaries

**P. N. Parikh**
Partner
FCS No: 327 CP No: 1228
UDIN: F000327D000062686
PR No.: 1129/2021

Place: Mumbai
Date: April 11, 2022

# Management Discussion and Analysis

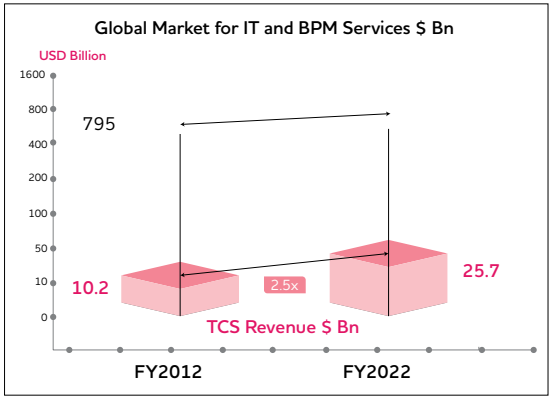


## Overview of the Industry

The global economy recovered strongly in CY 2021 even as new variants of the COVID-19 virus fueled additional waves of the pandemic. Robust policy support in advanced economies, availability of vaccines and relaxation of pandemic restrictions helped economies bounce back, collectively expanding world output by an estimated 6.1%[1].

Global technology spending grew strongly in 2021 to $1.7 trillion[2]. The primary drivers were accelerated investments in digital transformation and cloud adoption in response to changed consumer behaviors and the need for greater operational resilience. Additionally, there was increased outsourcing by enterprises looking to free up financial as well as human resources to execute their transformation programs. A severe talent scarcity added to the outsourcing imperative. IT services grew 6.2% YoY, crossing $899 billion while BPM grew nearly 5% to reach $211 billion.

The global IT services industry continues to be a highly fragmented one, with even the largest provider having a mid-single digit market share. TCS is among the largest IT services providers globally, with a market share of 2.3%, and has outperformed the market, growing significantly higher than market growth over the last decade.




This may be attributed to market share gains resulting from TCS' customer-centric strategy and organization structure, a very stable management team, focused investments in building superior capabilities, better execution resulting greater customer satisfaction, and steadily expanding participation in customers' growth and transformation spends.

[1] *World Economic Outlook, IMF, April 2022*
[2] *Nasscom Strategic Review Report 2022*

## TCS' Business

### An Overview

TCS is an IT services, consulting and business solutions organization partnering many of the world's largest businesses in their transformational journeys for the last 54 years. It has a global presence, deep domain expertise in multiple industry verticals and a complete portfolio of offerings – grouped under consulting and service integration, application services, digital transformation services, cloud services, engineering services, cognitive business operations, and products and platforms – targeting every C-suite stakeholder.

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

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

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

### Strategy for Sustainable Growth[3]

Customer-centricity is at the heart of TCS' strategy, organization structure and investment decisions. TCS' customer-centric worldview helps spot trends early, embrace business opportunities by making the right investments and mitigating risks while discharging its social and environmental responsibilities.

TCS has been broadening and deepening customer relationships by continually looking for new opportunities and newer areas in their businesses to add value, proactively investing in building newer capabilities, reskilling its workforce and launching newer services, solutions, products and platforms to address those opportunities.

In the last few years, the company has been using its investments in research and innovation, its intellectual property and deep contextual knowledge of the customer's business and technology landscape to proactively pitch ideas and solutions designed to improve the client's topline and help drive competitive differentiation.

These growth and transformation (G&T) engagements are higher value engagements catering to the needs of a broader set of stakeholders in the client organization, and is helping drive a steady increase in the scope and scale of services consumed year after year, and expand TCS' share of wallet, as evidenced by the client metrics.

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

### Enabling Investments

TCS pioneered[4] the use of the word 'digital' to describe the new family of technologies that emerged in the last decade. Quick to recognize the potential of cloud, the company made investments ahead of time in launching new platform-based business models as far back as in 2009[5], reskilling the workforce, research and innovation, building collaborative workspaces and innovation centers, intellectual property, and alliances and partnerships. Those early investments have given TCS a head start in participating in its customers' G&T journeys.

Over the last 3 years, TCS has been investing in a network of Pace Ports, co-innovation hubs in all its major markets, to provide a physical space for

[3] *GRI 2-22*

[4] *Ref AR FY 2012, MD&A, Pages 25, 29*

[5] *Ref AR FY 2010, Letter from CEO, Page 7*

TCS teams to engage with clients in ideation, rapid prototyping and agile development of innovative ideas. These hubs also house researchers and members of TCS' extended innovation ecosystem of start-ups and academia. Adding to the Pace Ports in Tokyo, New York, Pittsburgh and Toronto, the company inaugurated the Pace Port at Amsterdam in May 2021, and a Digital Garage in Sydney in February 2022.

TCS continued to invest in intellectual property, launching new variants within the ignio™ suite and building newer functionality and features in the TCS BaNCS™ suite, the Algo Retail suite, the TCS ADD suite, HOBS, TwinX, MasterCraft and Jile. Across each of the industry verticals, the relevant business units launched new service offerings and solutions, catering to the evolving needs of the market – such as the ESG Integration solution suite on all three hyperscaler platforms covering EU taxonomy, Sustainable IT, Green Mortgage, Carbon Bank and Cal-C (Carbon Calculator).

The company launched Cyber Defense Suite – a comprehensive suite of modular, quickly adoptable cyber security services on a single platform – to provide enterprises with a unified 360-degree visibility and predictive intelligence to proactively defend and respond against evolving risks.

TCS' dedicated practice units around AWS, Microsoft Azure and Google Cloud Platform, launched in FY 2021, offer customers the full range of transformational and operational services on the respective hyperscaler stacks, spanning advisory services, migration, application and data modernization, including SaaS and enterprise productivity suites, infrastructure, cyber-security and edge.

These units have been steadily investing in training, certifications, credentials and in building solutions and intellectual property on their respective hyperscaler stacks. In FY 2022, TCS added TCS Omnistore, TCS MasterCraft, 5G Edge Suite, TwinX and its suite of sustainability solutions – namely TCS Clever Energy, TCS IP2 and TCS Envirozone – to the list of its software products and solutions available on the various hyperscaler platforms. TCS also launched Google Cloud Garages for co-innovation leveraging analytics and AI on the cloud, at its Pace Ports in Amsterdam, New York and Tokyo.

**New Organization Structure**

TCS rolled out a new, industry-first organization structure at the end of FY 2022 that further enhances the company's customer centricity. The new model recognizes that customers' needs vary and evolve over time as they progress in their relationship journey with TCS, and enables the delivery of a curated experience best suited for each customer's current stage in that journey. It does this by adding a fourth dimension – i.e. customer relationship stage – to the existing three dimensions of TCS' organization structure: geography, industry vertical and service line.

Customer acquisition will continue to be done by local sales teams in the various markets. Existing customers in major markets will continue to be serviced by the same client partners, but the governance layer on top has been realigned. Instead of being governed as vertical-wise business groups, customers have now been segmented by relationship stage, and vested with three business groups:

- **Relationship Incubation Group** to manage new relationships which require a higher level of hand holding and a differentiated, high touch delivery;
- **Enterprise Growth Group** to manage relationships which are in the high growth phase;
- **Business Transformation Group** to manage large and mature relationships.

The company's primary reporting segments will continue to be industry verticals and geographic markets. Existing verticalized governance structures, the Industry Solution Units (ISUs) and sub-ISUs, will see their portfolios realigned and rationalized under these three business groups. Customers in emerging markets will continue to be serviced by local country-based organizations.

The sharper customer focus enabled by the new structure and the resultant curated customer experiences are expected to enhance customer intimacy, facilitate cross-selling and up-selling, expand share of wallet and prepare the company for the journey ahead.

## Strategic Responses to Opportunities and Threats

| Opportunity / Threat | TCS Approach | Outcomes |
|---|---|---|
| Greater interest in using technology to drive business growth | • Focused on developing contextual knowledge and applying that for inside-out transformations.<br>• Continued investments in research and innovation, TCS Pace Ports, and intellectual property.<br>• Dedicated practice with domain experts to bring together TCS' differentiated capabilities from across the organization to stitch together comprehensive solutions.<br>• Proactive pitching of solutions to customers' most pressing business problems.<br>• New brand tagline 'Building on Belief' to strengthen positioning as a growth and transformation partner. | • Expansion of addressable market.<br>• Growing share of G&T business adding to growth.<br>• Higher quality revenue, lending margin resilience.<br>• More deeply embedded in the clients' business.<br>• Engaging with a broader set of buyers in the client organization.<br>• Higher visibility within C-Suites. |
| Accelerated adoption of public cloud | • Launched dedicated business units with end to end capabilities on each of the hyperscaler platforms.<br>• Continued investment by each of these units in skills, certifications, credentials, IP and accelerators.<br>• Articulated the multi-horizon cloud transformation framework.<br>• Made available TCS products and solutions on public clouds. | • Strong growth in cloud transformation revenues.<br>• Top tier partner to each of the hyperscalers.<br>• Preferred partner to clients seeking to use cloud native capabilities to power their growth and transformation. |

| Opportunity / Threat | TCS Approach | Outcomes |
|---|---|---|
| Greater acceptance of as-a-Service platforms | • Strengthened alliances and launched new offerings around the popular and new SaaS products.<br>• Helped ISV* clients upgrade their products to launch new SaaS versions.<br>• Partnering with product manufacturers to help launch innovative as-a-Service offerings using TCS Bring Things to Life IoT framework.<br>**TCS IP:**<br>• Launched SaaS versions of in-house product portfolio; made available on hyperscaler platforms.<br>• Used IP portfolio to launch new platforms that bundle IP and shared services on the cloud. | • Stronger win-win partnerships.<br>• Expansion of addressable market.<br>• Strong growth in SaaS sales.<br>• Platforms drive stickier relationships, with long term revenue visibility. |
| Operations optimization to fund transformation | • Launched the Machine First™ Delivery Model, embedding automation deep within the enterprise to drive greater efficiencies.<br>• Launched the TCS Cognix™ hyper-automation suite with pre-built solutions for business and IT operations transformation. | • Operations transformation order book of over $1Bn from Cognix since its launch.<br>• Reputation as a partner who helps structure self-funding business transformation programs. |
| Pandemic-forced remote working | • Launched the Secure Borderless Workspaces™ operating model.<br>• Announced Vision 25x25, heralding a new hybrid working model for the longer term.<br>• Implemented 'talent clouds', staffing projects using AI to match skills, regardless of location. | • Ensured business continuity on mission-critical activities.<br>• Faster ramp-up of new projects.<br>• More opportunities for employees, based on skills rather than their location.<br>• More flexible working arrangement, that is more gender inclusive. |

* *Independent Software Vendor*

## Talent Management

TCS aims to attract, develop, motivate and retain diverse talent, that is critical for its continued success. The company's talent management strategy seeks to maximize the potential of every employee by creating a purpose-driven, inclusive, stimulating, and rewarding work environment, delivering outstanding employee experience, while fueling business growth.

In FY 2022, TCS made the highest ever net addition of 103,546 employees globally, taking the total employee base to 592,195, with 153 nationalities. The company crossed a key diversity milestone, with women in the workforce exceeding 200,000 during the year. Further, TCS was included in the 2022 Bloomberg Gender-Equality Index (GEI).

### Industry-Leading Initiatives

- SPEED Feedforward: A pioneering initiative that takes TCS' continuous feedback performance appraisal system to the next level by providing real time, objective performance data consolidated from various systems in employee's goal sheets.

- ReBegin: An initiative for experienced women professionals to reinvent their career, received over 14,000 applications.

- TCS Vaccination League: A pioneering and one-of-a-kind initiative to vaccinate employees and their families across 160 locations in India, in metros as well as Tier 2/3 cities.

### Employee Health and Wellbeing

Putting employee safety and wellbeing as a paramount objective, TCS provided pandemic assistance and outreach through an enhanced hospitalization policy, home health care support and access to covid care centers set up at TCS facilities in 13 cities. TCS also introduced Emergency Medical Assistance, an interest free loan to support hospitalization needs during COVID-19. Over 260,000 wellbeing calls were made to over 48,000 associates and dependents, and nearly 100,000 teleconsultations were provided to ensure proactive medical and emotional support.

The TCS Vaccination League benefited 1.2 million individuals and resulted in over 87% of employees in India getting fully vaccinated and 95% receiving at least one dose.

### Talent Acquisition

TCS' talent acquisition strategy is to identify, engage and hire the best talent with the right competencies required by the business at the right time to promote future business growth. Its technology-enabled, data-driven, 100% virtual hiring model has enabled quicker decision making, enhanced agility and scaled well globally, while retaining the local nuances required for building a diverse workforce.

The company remains the preferred employer at leading engineering campuses in India. Its college recruitment efforts in USA, Canada, Latin America, China and Hungary have been progressing well, with very encouraging outcomes. TCS was one of the largest job creators in IT services in several major markets, for both freshers and lateral hires. In the United States, TCS has hired nearly 32,000 employees over the last five years.

In India, over 789,000 students from over 4,200 institutes appeared for TCS' National Qualifier Tests from the safety of their homes. TCS was also among the biggest recruiters at top B-schools and national institutes.

Key Achievements:

- TCS CareersNext – TCS' interactive platform to enrich the lateral talent pipeline connected over 51,000 experienced professionals, enabling them to choose from a wide palette of career opportunities that matches their passion and skill set.

- Highly successful internal referral program accounted for 30% of total joiners in FY 2022.
- TCS CodeVita™ – Season 10 of TCS' flagship global coding contest saw 305K+ registrations across 85 countries.
- HackQuest - Sixth edition of TCS' ethical hacking contest saw over 5800 active participants.
- TCS Academic Interface Program – Engaged 196,474 students (20,687 outside India) from 1,618 institutes (554 outside India) through workshops and faculty development programs. 3,844 interns (414 outside India) on boarded in FY 2022.

**Diversity, Equity and Inclusion**

TCS is an equal opportunity employer and has a well-defined and progressive Diversity, Equity and Inclusion (DEI) policy embracing all diversity parameters which includes gender, marital status, religion, race/caste, colour, age, ancestry, nationality, language, ethnic origin, socio-economic status, physical appearance, disability, sexual orientation, gender identity and/or expression and any other category protected by applicable law.

TCS recognizes that a diverse and inclusive workforce is necessary to drive innovation, foster creativity, and guide business strategies. This year TCS reached a significant milestone to become one of the few organizations in the world employing more than 200,000 women. The company's focus has been to enable better representation of women through sustained interventions at every level. Key programs include:

- iExcel: TCS' flagship executive leadership development program for women after which participants receive project-based mentorship from senior leaders and emerging leaders from different businesses, generations, and cultures. So far, TCS has had 20 editions of this program, benefiting 1,290 women leaders.
- Project Synthesis: A large-scale initiative with a multiculturistic approach to teams, clients, and strategy, to help managers build a deeper understanding of inner diversity and engage with the collective community. 8,682 managers across 37 nationalities have undergone this program.
- The Diversity Maturity Matrix: In-house diversity measurement tool aims at identifying gaps and, assesses an organization's maturity in DEI provides insights on strategic planning and action to increase DEI maturity.
- Allies of Diversity - A program where senior leadership from client organizations are invited to share diversity best practices. 24 chapters across 52 different client organizations engaging 58 senior leaders have been completed.
- The Workplace Coach: A 75-hour internal coach certification program enabling individuals to become coaches. This supports individuals within the organization towards ACC certification. So far, 2 cohorts have been completed, bringing together 212 internal coaches.
- Education and Sensitization: TCS has mandatory online DEI training designed to help associates understand the key concepts of DEI and belonging, that 481,000 employees have completed.

**Talent Development**

TCS is focused on building and developing enduring capabilities for a future-ready workforce.

Key initiatives include:

- TCS Elevate: TCS' pioneering program linking learning to career growth and reward covered over 322,000 employees. Over 13,000 employees were identified as high talent and received increased compensation.

- Contextual Masters (CMs): With a learning intensity 15% higher than average, CMs are groomed into potential G&T leaders. TCS now has over 50,000 CMs, up 169% over the year. The community has strong gender diversity, with 24% women.

- India Freshers Training: Over 100,000 trainees were onboarded during the year, the highest number ever. In addition to the Virtual Xplore foundational training program, fresher training was further intensified with 47 digital technology certifications, daily webinars, weekly online assessments, and gamified hackathons. Over 200 webinars and post-offer engagement sessions were conducted.

Key Metrics:

- TCSers invested 121 hours of learning on average during the year.
- 3.5 million digital competencies acquired; over 171,000 employees deep skilled.
- Every hour, TCS clocked 8,400 course completions; 3,000 competencies acquired.
- One hands-on learning exercise completed every 8 seconds.
- Over 160,000 G&T-ready and 20,000 G&T leaders groomed across all the segments to take up G&T opportunities.

**Purpose-driven Workforce Policies**

The company's progressive policies have been instrumental in creating a vibrant, equitable and inclusive workplace. In FY 2022, TCS introduced a Global Guideline on Remote Working to enable smooth transition into a hybrid work model aligned with Vision 25x25.

TCS was one of the earliest globally to have a documented policy on vaccination and a guideline for quarantine leave. Thirty new HR policies were created in the areas of health and safety, compensation and benefits, mobility, leave, performance management, working hours and workplace conduct in response to statutory amendments, business environment and changing workforce needs.

Other policies of interest like the TCS Global Policy – Whistle Blower and Statement on Modern Slavery Act were revisited, along with 118 other policies to ensure that TCS upholds the highest standards of transparency and accountability towards all stakeholders.

**Talent Transformation**

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

Xcelerate - Integrated platform to capture associates' aspirations and map them to future opportunities. Over 60% of TCSers have shared their aspirations and career goals in Xcelerate, and mechanisms are being developed to help them realize their ambitions.

iConnect - Collaborative tool designed to help employees reach out to senior mentors for guidance on career paths, and have face to face dialogues about their role and career.

Mentoring – TCS is promoting a culture of mentoring and coaching through systemic intervention programs, with over 37,000 mentors including over 1,500 Gold and Silver certified mentors. Over 10,000 leaders are part of the 360° inclusive feedback process.

Talent Review – TCS' program to create and sustain a healthy leadership pipeline. It enables leaders to share their career aspirations and preferences of mobility, followed by an assessment of their leadership attributes.

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

**Competitive Compensation**

TCS' business model depends on its ability to attract and retain talent in the highly competitive, global

market for software engineers with graduate or post-graduate degrees in engineering and with relevant technical skills.

Compensation levels are merit based, determined by qualification, experience levels, special skills if any, and individual performance. Compensation structures are driven by prevailing practices in each country that TCS operates in. The merit based, democratized, transparent talent framework – Elevate, is designed to establish a tighter linkage between learning, skill development, career and reward. The company regularly benchmarks its compensation plans and benefits with the market to ensure competitiveness.

At TCS, three months' notice is required from either side for termination[6].

**Engagement with Purpose**

*TCS' Engagement with Purpose* model reimagines employee engagement with a focus on health and wellbeing, lifelong learning, career development, living TCS' values, social collaboration, and community service. A key engagement platform has been the virtual #OneTCS Channel which hosts educative and inspirational speakers to foster a sense of community.

Key Achievements:

- Radio Maitree: a unique, interactive radio program to enhance employee connect saw participation by over 23,000 employees globally.
- About 712,000 employee interactions enabled through focused interventions such as Living my Values, Build My Career and Lifelong Learning.
- Leadership Townhalls cumulatively resulted in nearly 590,000 employee interactions with business leaders on TCS values and organizational belonging.
- Over 22,000 1x1 mentoring sessions and over 15,000 1x1 HR career conversations.

TCS' various employee connect and collaboration platforms are as below:

- Knome, KnowMax, GEMS: Platforms for social collaboration within the organization, learning, sharing and for rewards and recognition.
- Safety First: Initiative focused on employee safety and security.
- Fit4life: Builds a fraternity of health and fitness conscious employees and creates a culture of fitness' around 42,000 active users contributed a total of 19 million kms on the portal.
- Purpose4life: Forum for volunteering for community projects in the areas of education, health and environment; over 22,000 volunteers contributed to 617,000 volunteering hours in community initiatives that supported over 353,000 beneficiaries.
- Maitree: Community of TCSers and their families who plan activities that help create a bond among employees and promote work-life balance.
- TCS Cares: Program aimed at creating robust avenues to build an emotionally strong and mentally resilient workforce.
- PULSE: TCS' annual employee engagement and satisfaction survey is the organization's formal listening forum. Our Annual Employee Satisfaction Survey recorded an enthusiastic participation from associates globally, with an ASI of 80.6 and AEI of 81.0 - the highest over the last 14 years.

**Employee Retention**

TCS has always had the best retention rate in the industry. Its values-driven culture, progressive HR policies, and philosophy of investing in people and empowering them have made it an industry benchmark in talent retention practices. In FY 2022, IT services attrition was 17.4% on an LTM basis, the lowest among its peers.

[6] *GRI 402-1*

## FINANCIAL PERFORMANCE OVERVIEW

The discussions in this section relate to the consolidated, Rupee-denominated financial results pertaining to the year that ended March 31, 2022. The financial statements of Tata Consultancy Services Limited and its subsidiaries (collectively referred to as 'TCS' or 'the Company') are prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.

The following table gives an overview of the consolidated financial results of the company:

(₹ crore)

| | FY 2022 | | | FY 2021 Adjusted* | | FY 2021 Reported | |
|---|---|---|---|---|---|---|---|
| | Revenue | % of Revenue | % Growth | Revenue | % of Revenue | Revenue | % of Revenue |
| Revenue from operations | **191,754** | **100.0** | **16.8** | 164,177 | 100.0 | 164,177 | 100.0 |
| Earnings before interest, tax, depreciation and amortization (EBITDA) (before other income) | **53,057** | **27.7** | **14.0*** | 46,546 | 28.4 | 45,328 | 27.6 |
| Profit Before Tax (PBT) | **51,687** | **27.0** | **14.9*** | 44,978 | 27.4 | 43,760 | 26.7 |
| Profit after tax attributable to shareholders of the company | **38,327** | **20.0** | **14.8*** | 33,388 | 20.3 | 32,430 | 19.8 |
| Earnings per share (in ₹) | **103.62** | | **16.1*** | 89.27 | | 86.71 | |

* Excludes provision towards legal claim

### Analysis of revenue growth

On a reported basis, TCS' revenue grew 16.8% in FY 2022, compared to 4.6% in the prior year, due to accelerated spending on digital transformation initiatives, cloud adoption and increased outsourcing.

Average currency exchange rates during FY 2022 for the three major currencies are given below:

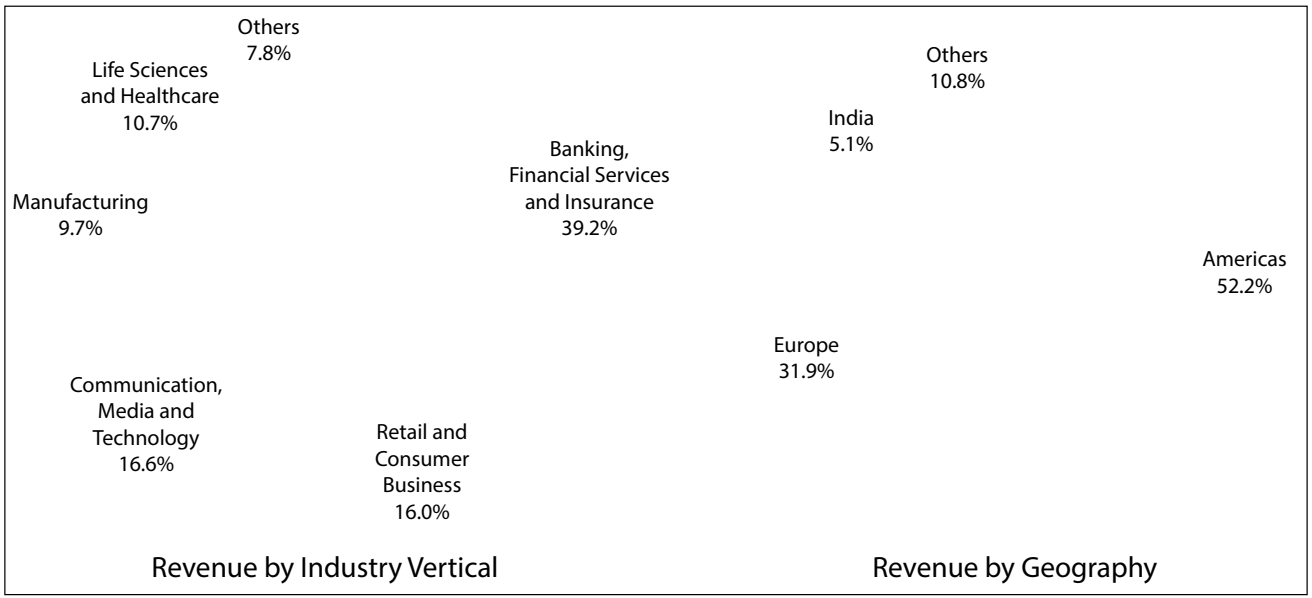
| Currency | Weightage (%) | FY 2022 ₹ | FY 2021 ₹ | % Change YoY |
|---|---|---|---|---|
| USD | **53.0** | **74.61** | 74.06 | **0.7** |
| GBP | **13.6** | **101.50** | 97.32 | **4.3** |
| EUR | **11.8** | **86.36** | 86.69 | **(0.4)** |

Movements in currency exchange rates through the year resulted in a positive impact of 1.4% on the reported revenue. The constant currency revenue growth for the year, which is the reported revenue growth stripped of the currency impact, was 15.4%.

| Growth attributable to | FY 2022 (%) | FY 2021 (%) |
|---|---|---|
| Business growth | **15.4** | (0.8) |
| Impact of exchange rate | **1.4** | 5.4 |
| **Total Growth** | **16.8** | 4.6 |

## Segmental Performance

The revenue break-up by Industry Vertical and Geography is provided below:



Segment revenues, year on year growth, a brief commentary and segment margins are provided below:

| Industry Vertical | Segment Revenue FY 2022 *(FY 2021)* ₹ crore | YoY Revenue Growth % | Key Spending Areas | Segment Margin FY 2022 *(FY 2021)* % |
|---|---|---|---|---|
| Banking, Financial Services and Insurance | 75,126 *(65,634)* | 14.5 | • Customer journey transformation, ecosystem strategies for new products and services, fintech adoption.<br>• Sustainability and climate change initiatives.<br>• Regulatory: New credit risk and operational risk mandates, controls management, consent order management and strategic framework for risk and finance management.<br>• Technology: Cloud adoption, cyber security, IT estate rationalization, core platform simplification, agile and DevOps adoption. | 26.9 *(28.5)* |
| Communication, Media and Technology | 31,874 *(27,077)* | 17.7 | • 5G and fiber rollout, network virtualization.<br>• Data and analytics, cloud enablement, product and platform engineering.<br>• M&A, divestitures, business simplification.<br>• Operating model resilience, cost optimization. | 29.9 *(29.6)* |

| Industry Vertical | Segment Revenue FY 2022 *(FY 2021)* ₹ crore | YoY Revenue Growth % | Key Spending Areas | Segment Margin FY 2022 *(FY 2021)* % |
|---|---|---|---|---|
| Retail and Consumer Business | 30,715 *(25,589)* | 20.0 | • Seamless and Unified Customer experience across channels, hyper personalization, last-mile delivery, marketplace, payments.<br>• Supply chain transformation for speed and visibility.<br>• Employee experience, automation, application and data modernization, cloud migration, cost optimization. | 27.8 *(27.9)* |
| Manufacturing | 18,610 *(15,950)* | 16.7 | • IT infrastructure modernization, cloud enablement, cybersecurity.<br>• Plant safety, remote asset management, energy efficiency and decarbonization.<br>• Supply chain resilience, process resilience.<br>• Utilities invested in connected ecosystems, smart grids and front-end digital investments to enhance customer experience. | 30.1 *(28.1)* |
| Life Sciences and Healthcare | 20,462 *(16,968)* | 20.6 | • COVID-19 initiatives, connected labs, clinical trials, connected instruments, digital surgery and health. | 30.0 *(31.0)* |
| Others | 14,967 *(12,959)* | 15.5 | • Digital marketing and analytics, mergers, acquisitions and divestitures, digital workplace transformation, ERP modernization, cloud transformation, intelligent automation, data democratization, analytics and insights, cyber security.<br>• IT operating model transformation, Agile & DevOps, vendor consolidation. | 20.6 *(22.9)* |

## Business Outlook

Global growth is expected to moderate from 6.1% in 2021 to 3.6 percent in 2022[7], driven by withdrawal of monetary accommodation in major economies, continued supply side shortages and economic damage from the war in Ukraine. While enterprise spending on technology is expected to go up, growth is expected to moderate year on year at an industry level, leaving space for outperformance through market share gains and strong deal wins. Key themes expected to drive client spending, and continued business momentum for the company in FY 2023, include:

- **G&T Themes:**
  - **Customer Experience:** Continued focus on strengthening and deepening customer relationships through digital channels, reimagination of omnichannel journeys, immersive device-agnostic experiences using XR / Metaverse, and hyper-personalization.
  - **Product Innovation:** Accelerated spending on servitization to provide a connected experience and enable new business models.
  - **Sustainability**: New products and services aligned to the sustainability / SDG agenda, new systems to measure, track and reduce GHG emissions across the value chain towards Net Zero goals.
  - **Others:** Employee experience; B2B2C / D2C; M&A; supply chain modernization for better visibility, agility and resilience; purpose-driven, collaborative ecosystems to launch new offerings and new business models; smart manufacturing with greater automation, digital twins and predictive maintenance; industry transformation.
- **Technology:** Cloud migration; digital workplace; data estate and application modernization; cyber security; ERP modernization; low-code, no-code adoption; 5G/Edge adoption.
- **Operations:** AI/ML-led transformation of IT / business operations for greater resilience and leaner operating models; managed services models.

## Enterprise Risk Management

While the world and businesses are recovering from the impact of the COVID-19 pandemic of the last two years, new external and internal risks continue to challenge businesses in every possible way amplifying existing risks. Not only are the nature of risks evolving, but the speed of risk is increasing with faster time to impact. Geo-political situations like the Russia Ukraine war have further forced global businesses to revisit their operations, delivery, supply chains and contractual aspects. Operating in an uncertain and ever-changing environment, TCS' global operations bring in considerable complexities and TCS' robust enterprise risk management framework aids in ensuring the strategic objectives are achieved. This framework enables risk identification, risk assessment, risk response planning and actions, risk monitoring and overall risk governance. Key Risk Indicators are used to identify and assess risks. The digital platform for integrated risk management provides an enterprise-wide view of risks covering strategic, operational, compliance, financial and catastrophic risks, providing a holistic approach towards informed decision making. Risks are assessed and managed at various levels with a top-down and bottom-up approach covering the enterprise, the business units, the geographies, the functions, the customer relationships and projects.

[7] *World Economic Outlook, IMF, April 2022*

Listed below are some of the key risks, anticipated impact on the company and mitigation strategies.

| Key Risks | Impact on the Company | Mitigation |
|---|---|---|
| Volatile global political and economic scenario | The company derives a material portion of its revenues from customers' discretionary spending which is linked to their business outlook.<br><br>Geo-political disruptions such as the war in Ukraine and resultant volatility in the global economy, or trade wars may adversely affect that outlook resulting in reduced spending which could restrict revenue growth opportunities.<br><br>This could also result in steep inflation globally which could impact client spending as well as increase TCS' cost of doing business.<br><br>Additionally, there could be higher risk to service delivery, business continuity, cybersecurity, sanctions compliance and human rights risks in geo-politically sensitive zones. | • Broad-based business mix, well diversified across geographies and industry verticals.<br><br>• Monitor changing geopolitical scenarios, the potential business implications and strengthen internal controls to further safeguard against secondary risks.<br><br>• Offerings and value propositions targeting all stakeholders (in addition to the CIO) in the customer organization, covering discretionary as well as non-discretionary spends, and relevant at every point in the business cycle.<br><br>• Participate in the customer's growth and transformation initiatives through services and offerings including advisory services, migration and modernization of applications and workplace transformation using location independent agile, deep contextual knowledge and data-driven analytics and dashboards.<br><br>• Proactively investing in infrastructure and resourcing to satisfy anticipated customer demand for flexible products and platforms based solution offerings and subscription-based services to gain market share and new clients and markets.<br><br>• More long-term contracting models.<br><br>• Leverage business ecosystem through collaboration with partners, start-ups and alliances to participate in transformation initiatives of customers. |

| Key Risks | Impact on the Company | Mitigation |
|---|---|---|
| Disruption and uncertainty in business due to the COVID-19 pandemic | While presently the severity of the disease due to COVID-19 has reduced because of increased vaccination, as immunity may wane over a period of time, there is a risk of further waves and emergence of highly transmissible and more virulent variants.<br><br>This may have an impact on the health and safety, emotional wellbeing and mobility of TCS' workforce, which in turn may impact service delivery and revenues. If large numbers of employees are affected, it could result in business disruption and necessitate higher spends for ensuring business resiliency. There could be hesitation to come back to office in the near future from employees who have been working remotely from their hometowns. | • Encourage new employees to get vaccinated as per the country level internal vaccination policies, government guidelines and including facilitating booster doses as available.<br><br>• Employee well-being initiatives like 24*7 dedicated helpline for employees to address COVID-19 related help, queries for emotional support, interactive sessions, counseling services (TCS Cares), medical hotline to doctors, fitness sessions for employees and Covid Care Centres in TCS premises.<br><br>• Enable employees to return to office while providing flexibility through the hybrid work model using Secure Borderless WorkSpaces (SBWS™) for remote working, while following safe protocols like masks and social distancing in offices.<br><br>• Leverage emerging technology based tools to anticipate and be resilient for any upcoming COVID-19 waves / variants.<br><br>• The COVID-19 Apex committee at Enterprise level continues to monitor the residual risks and coordinate global efforts required, based on frequent risk assessments.<br><br>• Regular communication with customers about measures taken to maintain business services and reporting of their operations status.<br><br>• Regular coordination with key suppliers for expeditious provisioning of assets critical for business services. |

| Key Risks | Impact on the Company | Mitigation |
|---|---|---|
| | | • SOP for operating TCS Offices including implementing Safe Operating Zones for associates requiring to work from office, thermal screening, frequent sanitization of premises, social distancing layout etc. AI-based Workplace resilience tool implemented in Delivery Centres to aid in risk profiling and contact tracing.<br>• Revised Business Continuity plans which are benchmarked against ISO 22301 in place, for hybrid mode of working and to address any future waves of the pandemic.<br>• Remote working practices for managers and employees integrated into the Location Independent Agile delivery method, to ensure effectiveness and productivity.<br>• Monitor changes in regulations related to the impact due to pandemic and align internal policies accordingly. |
| Talent risk due to huge demand for talent globally and attrition | The company's ability to attract, develop, motivate, and retain talent is critical to business success. Increase in attrition can impact TCS' ability to deliver existing business engagements and grow.<br><br>Inability to attract experienced professionals with niche digital skills from the market, can also impact TCS' ability to grow. | • Commitment to organic talent development, best in class learning and development, linkage of career growth to learning, and preference to internal talent for new leadership positions, all incentivize planning of longer-term careers in TCS.<br>• Focused tactical initiatives to retain talent using proactive as well as reactive initiatives; increased employee engagement.<br>• Leveraging top employer brand and social networking sites and talent sourcing channels to tap into the passive pool.<br>• Reducing talent acquisition cycle time to improve joining rates through innovative practices.<br>• Upskill or cross-skill employees to improve competencies.<br>• Engaging in various markets through investments in STEM/GoIT programs, building local talent, building reputation locally to attract talent, campus engagements, etc. |

| Key Risks | Impact on the Company | Mitigation |
|---|---|---|
| Restrictions on global mobility, location strategies | Distributed software development models require the free movement of people across countries and any restrictions in key markets pose a threat to the global mobility of skilled professionals.<br><br>Restrictions on mobility due to the pandemic or geo-political developments, or due to legislations which limit the availability of work visas or which apply onerous eligibility criteria or costs leading to project delays and increased expenses. | • Ongoing monitoring of the global environment, working with advisors, partners and governments.<br><br>• Material reduction in dependency on work visas through increased hiring of local talent including freshers, use of contractors, local mobility and training in all major markets.<br><br>• Leveraging the SBWS™ model to source talent from anywhere and deliver from anywhere. Use of Location Independent Agile to promote systematic collaboration and reduce the need for co-location.<br><br>• Active engagement in Science, Technology, Engineering and Math (STEM) initiatives designed to structurally increase the availability of engineering talent in major markets.<br><br>• Greater brand visibility through event sponsorships, community outreach, showcasing of investments, innovation capabilities and employment generation.<br><br>• Increased outreach to government stakeholders, trade bodies, think tanks and research institutes. |
| Business model challenges | Rapidly evolving technologies are changing technology consumption patterns, creating new classes of buyers within the enterprise, giving rise to entirely new business models and therefore new kinds of competitors. | • Investments in building scale and differentiated capabilities on emerging technologies through large scale reskilling, external hiring, research and innovation, solution development and IP asset creation leveraging deep contextual knowledge across customer specific domain, technologies and processes.<br><br>• Establishment of focused business service units providing end-to-end transformational and operational solutions on leading cloud technology platforms spanning advisory, migration and modernization and support of applications. |

| Key Risks | Impact on the Company | Mitigation |
|---|---|---|
| | The COVID-19 pandemic has resulted in a major acceleration of technology investments by customers to make themselves future-proof and also to power the revival of their business. This is resulting in increased demands on the company's agility to keep pace with the rapidly changing customer expectations. Failure to cope may result in loss of market share and impact business growth.<br><br>There is also increased focus on vendor consolidation and corporate restructuring and mergers and acquisitions in some customer industries. | • Staying relevant to customers by constantly launching new service practices and technology solutions including a new AI-Powered business command solution to help firms assess risk profiles and protect employees returning to offices and modernizing existing offerings and solutions.<br><br>• Develop capabilities in organization divestiture and integration planning to cater to Merger and Acquisition induced demand for advisory and business consolidation related services.<br><br>• Thought leadership by propagating the Business 4.0 framework leveraging the Machine First Delivery Model (MFDM™). Develop industry-specific best practices and Artificial Intelligence led products to enable customers derive greater business value and discover opportunities to transform and grow their businesses.<br><br>• Implement Location Independent Agile methods to mitigate location constraints and pricing and margin pressures.<br><br>• Constant scouring of the technology landscape through alliance partnerships, and strong connections in academia and the start-up ecosystem to spot new trends and technologies and launch offerings around them.<br><br>• Enhancing ability to craft and win large deals.<br><br>• Go to market solutions by working along with partners and alliances, to enable faster transformation turnaround times for clients. |
| Currency volatility | Volatility in currency exchange movements results in transaction and translation exposure. TCS' functional currency is the Indian Rupee. Appreciation of the Rupee against any major currency could impact the reported revenue in Rupee terms, the profitability and also result in collection losses. | • TCS follows a currency hedging policy that is aligned with market best practices, to limit impact of exchange volatility on receivables, forecasted revenue and other current assets and liabilities.<br><br>• Hedging strategies are decided and monitored periodically by the Risk Management Committee of the Board convened on a regular basis. |

| Key Risks | Impact on the Company | Mitigation |
|---|---|---|
| Breach of data protection laws | The focus on data privacy and protection of personal data has increased significantly over the last few years. Legislations like GDPR in Europe carry severe consequences for non-compliance or breach. Many other countries have enacted or are enacting their Data Privacy regulations to ensure protection of personal data. Violation of data protection laws or security breaches can result in substantive liabilities, fines or penalties and reputational impact. | • Global privacy policy covering all geographies and areas of operations, which sets out the privacy principles and guidance for deployment.<br>• Organization structure with the Global Privacy Office to strategise, monitor and guide deployment of data privacy framework across the enterprise. Data Protection Officers and other privacy officers have been appointed for TCS entities as required by local privacy regulations to monitor and drive implementation of data protection principles. Business Privacy Leaders are appointed to deploy compliance to the data privacy framework in all functions and business units.<br>• Privacy Information Management Systems (ISO 27701:2019) adopted and certified.<br>• Continuous monitoring and analysis of changes to regulatory and legal landscape and enhancing the data privacy framework.<br>• Embedding privacy by design and privacy by default principles in development of new or changed internal processes or services or products. Robust and continued governance of personal data processing.<br>• Data protection controls and robust risk response mechanisms in place to protect personal data in the TCS ecosystem and also in the customer engagements.<br>• Industry standard data masking and encryption technologies to protect personal data.<br>• Vendors and third parties contracted with privacy obligations and tracked for compliance based on risk assessment.<br>• Mandatory trainings and workshops on data protection, Privacy by Design and global privacy regulations. Continuous awareness campaigns through blog posts, email broadcasts, gamification, roadshows and online events.<br>• Implementing and maintaining data transfer agreements, where required for the transfer of data across jurisdictions.<br>• Periodic reviews and audits by independent audit firm to verify compliance to obligations in addition to internal audits across the ecosystem. |

| Key Risks | Impact on the Company | Mitigation |
|---|---|---|
| Cyber attacks | Risks of cyber-attacks are forever a threat on account of the fast-evolving nature of the threat. There is also an increased risk due to various pandemic themed cyber threats and attacks due to geo-political drivers.<br><br>In addition to impact on business operations, a security breach could result in reputational damage, penalties and legal and financial liabilities.<br><br>**Market Opportunity:**<br><br>Enterprises are increasing their investments in building cyber resilience to be able to detect and foil intrusion attempts, and limit the impact. This presents an opportunity to expand customer relationships and become the preferred cyber security partner. | • Advanced tools based on AI/ML aiding prevention and detection requirements with quarantine capabilities, including Perimeter security controls with advanced tools, enhanced internal vulnerability detection, data leak prevention tools, defined and tested incident management and recovery process in compliance with industry best practices.<br><br>• Continued reinforcement of stringent security policies and procedures including enhanced security measures and awareness building to combat pandemic-themed threats like phishing, soliciting for fraudulent causes or charities, suspicious pleas and communication through social media, text or calls.<br><br>• Close collaboration with Computer Emergency Response Team (CERT) and other private Cyber Intelligence agencies, and enhanced awareness of emerging cyber threats.<br><br>• Enterprise-wide training and awareness programs on Information Security including the extensively used enterprise-wide communication and collaboration platforms accessed through mobile or desktop channels.<br><br>• Strict access controls including non-persistent passwords (OTP) for secure access to enterprise applications/network. Special handling of privileged administrator accounts. Rigorous access management on all Cloud deployments.<br><br>• Encryption of data, data back-up and recovery mechanisms for ensuring business continuity.<br><br>• Ability to isolate TCS enterprise network from client network and defined escalation mechanisms to handle security incidents in client environment. |

| Key Risks | Impact on the Company | Mitigation |
|---|---|---|
| | | • Periodic rigorous testing to validate effectiveness of controls through Vulnerability Assessment and Penetration Testing.<br>• Internal and external audits, red teaming, breach and attack simulation.<br>**Market opportunity**<br>• Investments in building local threat management centers across the world, and the launch of new services and solutions including the Cyber Defense Suite, are helping TCS gain traction in this rapidly growing opportunity. |
| Non-compliance to complex and changing global regulations | As a global organization, the company has to comply with a complex regulatory landscape across multiple jurisdictions, covering areas such as Employment and Labour, Immigration, Taxation, Foreign Exchange and Export Control, Sanctions, Environment, Health and Safety, Anti-Bribery and Anti-Corruption, Data Privacy and so on.<br>The laws and regulations are continuously evolving, increasing in number and complexity. This has resulted in greater compliance risk and cost of compliance for the company.<br>The fast pace of changes in the regulatory environment requires quick understanding of their implications and adaptation in business operations. Failure to comply could result in penalties, reputational damage and criminal prosecution. | • Deployment of a comprehensive global compliance management framework that enables tracking of changes to applicable laws and regulations across various jurisdictions, including new countries of operations and functional areas.<br>• Operationalizing regulatory requirements through business policies and processes.<br>• Clear accountability for compliance obligations and digitized tracking of such activities with evidence and verification.<br>• Periodic regulatory compliance certification, which is fully digitized enables self-governance and covers compliance across all the locations of the company.<br>• Adequate and effective internal controls to comply with regulations and to keep a check on unlawful and fraudulent activities and internal audits to provide assurance.<br>• Strong focus on fostering ethical and compliance culture; Awareness through web-based compliance training courses for all staff and regular notifications/alerts on regulatory changes communicated to stakeholders.<br>• Strong governance at board, executive and management level through compliance committees and compliance working groups. |

| Key Risks | Impact on the Company | Mitigation |
|---|---|---|
| Intellectual Property (IP) infringement and leakage | Risk of infringement of third-party IPs by TCS may lead to potential liabilities, increased litigation and impact reputation.<br><br>Inadequate protection of TCS' IP may lead to loss of IP leading to potential loss of ownership rights, revenue and value. | • TCS has established an industry leading IP management framework (IP 4.0) and accordingly has institutionalized frameworks, processes and procedures that address the risk of infringement of third-party IP while ensuring safeguarding of TCS' own IP assets. This strong focus on IP-led growth driven based on the 3P (Patents, Products and Platforms) strategy is contributing significantly towards thinning the competition for TCS.<br><br>• TCS has established a centralized IP and Software Product Engineering group that strives to build an IP thinking culture and hence covering the IP related awareness aspects effectively.<br><br>• There is a well-defined (software) asset lifecycle governance framework that incorporates policy guidance and risk mitigation guidelines on IP, Legal, software product engineering and business-related risks.<br><br>• IP Governance program that ensures that there is right access and right use of TCS IP, customer IP, partner IP, and third-party IP in service and partner engagements.<br><br>• Other key controls include employee confidentiality agreement, training and awareness for IP protection and prevention of IP contamination and infringement. Digitized system to enable strict controls around movement of people and information across TCS' product teams and customer account teams.<br><br>• Technology inventions are celebrated in TCS by running special programs such as "Invent & Inspire" wherein top inventors and their invention stories are recognized for their success and impact on business. |

| Key Risks | Impact on the Company | Mitigation |
|---|---|---|
| Litigation risks | Given the scale and geographic spread of the company's operations, litigation risks can arise from commercial disputes, perceived violation of intellectual property rights and employment related matters. TCS' rising profile and scale also makes it a target to litigations without any legal merit. This risk is inherent to doing business across the various countries and commensurate with risk faced by other players similarly placed in the industry. In addition to incurring legal costs and distracting management, litigations garner negative media attention and pose reputation risk. Adverse rulings can result in substantive damages. | • Strengthening internal processes and controls to adequately ensure compliance with contractual obligations, information security and protection of intellectual property.<br>• Improved governance and controls over immigration process /increasing localization and sensitization of business managers.<br>• Potential disputes are promptly brought to the attention of management and dealt with appropriately.<br>• Team of in-house counsels in all major geographies and a network of reputed global law firms in countries it operates in.<br>• Robust mechanism to track and respond to notices as well as defend the company's position in all claims and litigation. |
| Sustainability Risks - Climate change and Environmental aspects[9] | Growing scientific evidence indicates that extreme weather conditions like intense winter storms, rainfall, cyclones, droughts, are attributable to climate change. As a result of changing weather and seasonal patterns, there are also increasing cases of seasonal diseases, epidemics and pandemics besides threat to human safety and business disruption.<br><br>With globally distributed operations, the company faces physical risks to life and property due to extreme weather events; transition risks resulting from disruptions in the market and emerging regulations; disruptions to operations due to water scarcity; risks of | • An environmentally sustainable approach is adopted by creating green policies, processes, frameworks and infrastructure. All TCS Centers globally continue to be certified under the ISO14001:2015 Environment Management Standard.<br>• Delivery centers designed to withstand extreme weather events. Business Continuity plans tested periodically to ensure effectiveness.<br>• Green buildings, efficient operations, green IT, the use of renewable energy to reduce carbon footprint; adoption of newer technologies and methods to manage waste in line with circular economy principles.<br>• Operational and engineering controls to minimize freshwater consumption, upgradation of water infrastructure and more water efficient systems.<br>• Water management through sewage treatment, recycling of treated water and rainwater harvesting. |

[9] *GRI 201-2*

| Key Risks | Impact on the Company | Mitigation |
|---|---|---|
| | inadvertent non-compliance to emerging regulatory requirements around circular economy, e-waste and solid waste regulations, impacting health and safety in local communities, business disruption and reputational damage.<br><br>**Market dimension and opportunity:**<br><br>• There is also a commercial opportunity to participate in customers' climate change mitigation journey by leveraging TCS' core competencies.<br><br>• As TCS moves towards its net-zero goal by 2030, being a socially responsible and purposeful organization brings opportunities to attract young talent. | • Supply Chain sustainability through responsible sourcing.<br><br>• Year-round associate engagement on environmental awareness and sensitizing them towards nature and conservation of resources.<br><br>• Initiatives like TCS Circle4Llife™ and sustainathons to come up with technology-led innovations to safeguard environment.<br><br>**Market dimension and opportunity**:<br><br>• As enterprises look to reduce their own carbon footprint and cater to the growing demand more environmentally friendly products and services, it opens up new business opportunities for TCS to provide technology-led solutions to help them realize their green plans.<br><br>• Key solution areas include designing sustainability strategy, sustainability innovation, sustainable consumer analytics and sustainable dashboards.<br><br>• Additionally, TCS products and solutions such as TCS Clever Energy™, Envirozone™, ESG integration Solution, help customers accelerate their sustainability journeys. |

## Internal Financial Control Systems and their Adequacy

TCS has aligned its current systems of internal financial control with the requirement of Companies Act 2013, on the lines of the globally accepted risk-based framework issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. The Internal Control – Integrated Framework (the 2013 framework) is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. The framework requires a company to identify and analyze risks and manage appropriate responses. The company has successfully laid down the framework and ensured its effectiveness.

TCS' internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. TCS has a well-defined delegation of power with authority limits for approving contracts as well as expenditure. Processes for formulating and reviewing annual and long-term business plans have been laid down. TCS uses a state-of-the-art enterprise resource planning (ERP) system that connects all parts of the organization, to record data for accounting, consolidation and management information purposes. It has continued its efforts to align all its processes and controls with global best practices.

TCS management assessed the effectiveness of the company's internal control over financial reporting (as defined in Regulation 17 of SEBI LODR Regulations 2015) as of March 31, 2022.

B S R & Co. LLP, the statutory auditors of TCS have audited the financial statements included in this annual report and have issued an attestation report on the company's internal control over financial reporting (as defined in section 143 of Companies Act 2013).

TCS has appointed Ernst & Young LLP to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee. In line with international practice, the conduct of internal audit is oriented towards the review of internal controls and risks in the company's operations such as software delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes, including most of the subsidiaries and foreign branches.

TCS also undergoes periodic audit by specialized third party consultants and professionals for business specific compliances such as quality management, service management, information security, etc. The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets TCS' statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically.

Based on its evaluation (as defined in section 177 of Companies Act 2013 and Regulation 18 of SEBI LODR Regulations 2015), TCS' audit committee has concluded that, as of March 31, 2022, the company's internal financial controls were adequate and operating effectively.

## Performance Trend – 10 years

Amounts in ₹ Crore

| | Ind AS | | | | | | | | Indian GAAP | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY 2022 | FY 2021* | FY 2021 | FY 2020 | FY 2019 | FY 2018 | FY 2017 | FY 2016 | FY 2015# | FY 2015 | FY 2014 | FY 2013 |
| **Revenue from operations** | | | | | | | | | | | | |
| Total revenue from operations | 191,754 | 164,177 | 164,177 | 156,949 | 146,463 | 123,104 | 117,966 | 108,646 | 94,648 | 94,648 | 81,809 | 62,989 |
| **Revenue by geographic segments** | | | | | | | | | | | | |
| Americas | 100,072 | 84,278 | 84,278 | 82,000 | 77,562 | 66,145 | 66,091 | 60,011 | 51,053 | 51,053 | 45,259 | 35,247 |
| Europe | 61,142 | 52,346 | 52,346 | 48,037 | 43,456 | 34,155 | 30,038 | 29,092 | 26,730 | 26,730 | 23,433 | 16,813 |
| India | 9,805 | 8,449 | 8,449 | 8,964 | 8,393 | 7,921 | 7,415 | 6,729 | 6,108 | 6,108 | 5,488 | 4,890 |
| Others | 20,735 | 19,104 | 19,104 | 17,948 | 17,052 | 14,883 | 14,422 | 12,814 | 10,757 | 10,757 | 7,629 | 6,039 |
| **Cost** | | | | | | | | | | | | |
| Employee cost | 107,554 | 91,814 | 91,814 | 85,952 | 78,246 | 66,396 | 61,621 | 55,348 | 48,296 | 50,924 | 40,486 | 31,922 |
| Other operating cost | 31,143 | 25,817 | 27,035 | 28,888 | 28,711 | 24,192 | 24,034 | 22,621 | 19,242 | 19,242 | 16,170 | 13,027 |
| Total cost (excluding interest & depreciation) | 138,697 | 117,631 | 118,849 | 114,840 | 106,957 | 90,588 | 85,655 | 77,969 | 67,538 | 70,166 | 56,656 | 44,949 |
| **Profitability** | | | | | | | | | | | | |
| EBITDA (before other income) | 53,057 | 46,546 | 45,328 | 42,109 | 39,506 | 32,516 | 32,311 | 30,677 | 27,110 | 24,482 | 25,153 | 18,040 |
| Profit before tax | 51,687 | 44,978 | 43,760 | 42,248 | 41,563 | 34,092 | 34,513 | 31,840 | 28,437 | 25,809 | 25,402 | 18,090 |
| Profit after tax attributable to shareholders of the Company | 38,327 | 33,388 | 32,430 | 32,340 | 31,472 | 25,826 | 26,289 | 24,270 | 21,912 | 19,852 | 19,164 | 13,917 |
| **Financial Position** | | | | | | | | | | | | |
| Equity share capital | 366 | 370 | 370 | 375 | 375 | 191 | 197 | 197 | 196 | 196 | 196 | 196 |
| Reserves and surplus | 88,773 | 87,014 | 86,063 | 83,751 | 89,071 | 84,937 | 86,017 | 70,875 | 52,499 | 50,439 | 48,999 | 38,350 |
| Gross block of property, plant and equipment | 30,300 | 28,658 | 28,658 | 26,444 | 24,522 | 22,720 | 20,891 | 19,308 | 16,624 | 16,624 | 13,162 | 10,996 |
| Total investments | 30,485 | 29,373 | 29,373 | 26,356 | 29,330 | 36,008 | 41,980 | 22,822 | 1,662 | 1,662 | 3,434 | 1,897 |
| Net current assets | 65,959 | 66,076 | 65,125 | 63,177 | 70,047 | 63,396 | 65,804 | 47,644 | 30,726 | 28,495 | 27,227 | 19,734 |
| **Earnings per share in ₹** | | | | | | | | | | | | |
| EPS - as reported | 103.62 | 89.27 | 86.71 | 86.19 | 83.05 | 134.19 | 133.41 | 123.18 | 111.87 | 101.35 | 97.67 | 70.99 |
| EPS - adjusted for Bonus Issue | 103.62 | 89.27 | 86.71 | 86.19 | 83.05 | 67.10 | 66.71 | 61.59 | 55.94 | 50.68 | 48.84 | 35.50 |
| **Headcount (number)** | | | | | | | | | | | | |
| Headcount (including subsidiaries) as on March 31st | 592,195 | 488,649 | 488,649 | 448,464 | 424,285 | 394,998 | 387,223 | 353,843 | 319,656 | 319,656 | 300,464 | 276,196 |

Note : The Company transitioned into Ind AS from April 1, 2015.

*Excluding provision towards legal claim.

# Excluding the impact of one-time employee reward.

## Overview of Funds Invested

Funds invested exclude earmarked balances with banks and equity shares measured at fair value through other comprehensive income. (₹ crore)

| | FY 2022 | FY 2021 | FY 2022 | FY 2021 | FY 2022 | FY 2021 |
|---|---|---|---|---|---|---|
| | Current | | Non-current | | Total funds invested | |
| Investments in mutual funds, Government securities and others | **30,262** | 29,160 | **187** | 175 | **30,449** | 29,335 |
| Deposits with banks | **15,784** | 3,848 | **1,232** | 719 | **17,016** | 4,567 |
| Inter-corporate deposits | **6,074** | 11,229 | **303** | 27 | **6,377** | 11,256 |
| Cash and bank balances | **2,211** | 5,272 | **-** | - | **2,211** | 5,272 |
| **Total** | **54,331** | **49,509** | **1,722** | **921** | **56,053** | **50,430** |

Total invested funds include ₹1,722 crore and ₹1,306 crore for FY 2022 and FY 2021, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

## Ratio Analysis – 10 years

| Ratio Analysis | | Ind AS | | | | | | | | Indian GAAP | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Unit | FY 2022 | FY 2021* | FY 2021 | FY 2020 | FY 2019 | FY 2018 | FY 2017 | FY 2016 | FY 2015# | FY 2015 | FY 2014 | FY 2013 |
| **Ratios - Financial Performance** | | | | | | | | | | | | | |
| Employee Cost / Total Revenue | % | 56.1 | 55.9 | 55.9 | 54.8 | 53.4 | 53.9 | 52.2 | 50.9 | 51.0 | 53.8 | 49.5 | 50.7 |
| Other Operating Cost / Total Revenue | % | 16.2 | 15.7 | 16.5 | 18.4 | 19.6 | 19.7 | 20.4 | 20.9 | 20.4 | 20.3 | 19.8 | 20.7 |
| Total cost (excluding interest & depreciation) / Total Revenue | % | 72.3 | 71.6 | 72.4 | 73.2 | 73.0 | 73.6 | 72.6 | 71.8 | 71.4 | 74.1 | 69.3 | 71.4 |
| EBITDA (Before Other Income) / Total Revenue | % | 27.7 | 28.4 | 27.6 | 26.8 | 27.0 | 26.4 | 27.4 | 28.2 | 28.6 | 25.9 | 30.7 | 28.6 |
| Profit Before Tax / Total Revenue | % | 27.0 | 27.4 | 26.7 | 26.9 | 28.4 | 27.7 | 29.3 | 29.3 | 30.0 | 27.3 | 31.1 | 28.7 |
| Tax / Total Revenue | % | 6.9 | 7.0 | 6.8 | 6.2 | 6.8 | 6.7 | 6.9 | 6.9 | 7.2 | 6.6 | 7.4 | 6.4 |
| Effective Tax Rate - Tax / PBT | % | 25.6 | 25.5 | 25.6 | 23.2 | 24.1 | 24.1 | 23.6 | 23.6 | 23.5 | 23.7 | 23.9 | 22.2 |
| Profit After Tax / Total Revenue | % | 20.0 | 20.3 | 19.8 | 20.6 | 21.5 | 21.0 | 22.3 | 22.3 | 23.2 | 21.0 | 23.4 | 22.1 |
| **Ratios - Growth** | | | | | | | | | | | | | |
| Total Revenue | % | 16.8 | 4.6 | 4.6 | 7.2 | 19.0 | 4.4 | 8.6 | 14.8 | 15.7 | 15.7 | 29.9 | 28.8 |
| EBITDA (Before Other Income) | % | 14.0 | 10.5 | 7.6 | 6.6 | 21.5 | 0.6 | 5.3 | 25.3 | 7.8 | (2.7) | 39.4 | 25.0 |
| Profit After Tax | % | 14.8 | 3.2 | 0.3 | 2.8 | 21.9 | (1.8) | 8.3 | 22.3 | 14.3 | 3.6 | 37.7 | 33.6 |
| **Ratios - Balance Sheet** | | | | | | | | | | | | | |
| Debt (excluding lease liabilities) - Equity Ratio | Times | - | - | - | - | - | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current Ratio | Times | 2.6 | 3.0 | 2.9 | 3.3 | 4.2 | 4.6 | 5.5 | 4.1 | 3.9 | 2.4 | 2.7 | 2.7 |
| Days Sales Outstanding (DSO) in ₹ terms | Days | 65 | 67 | 67 | 71 | 68 | 74 | 70 | 81 | 79 | 79 | 81 | 82 |
| Days Sales Outstanding (DSO) in $ terms | Days | 64 | 68 | 68 | 67 | 69 | 74 | 73 | 80 | 78 | 78 | 82 | 82 |

Note : The Company transitioned into Ind AS from April 1, 2015.

*Excluding provision towards legal claim.

#Excluding the impact of one-time employee reward.

| Ratio Analysis | | Ind AS | | | | | | | | Indian GAAP | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Unit | FY 2022 | FY 2021* | FY 2021 | FY 2020 | FY 2019 | FY 2018 | FY 2017 | FY 2016 | FY 2015# | FY 2015 | FY 2014 | FY 2013 |
| Invested Funds / Capital Employed | % | 57.4 | 52.6 | 53.1 | 47.7 | 55.2 | 55.6 | 55.8 | 45.8 | 42.3 | 43.9 | 44.0 | 37.2 |
| Capital Expenditure / Total Revenue | % | 1.5 | 1.9 | 1.9 | 2.0 | 1.5 | 1.5 | 1.7 | 1.8 | 3.1 | 3.1 | 3.8 | 4.2 |
| Operating Cash Flows / Total Revenue | % | 20.8 | 23.6 | 23.6 | 20.6 | 19.5 | 20.4 | 21.4 | 17.6 | 20.5 | 20.5 | 18.0 | 18.4 |
| Free Cash Flow / Operating Cash Flow Ratio | % | 92.6 | 91.9 | 91.9 | 90.5 | 92.5 | 92.8 | 92.3 | 89.7 | 84.8 | 84.8 | 78.9 | 77.3 |
| Depreciation of Property, Plant and Equipment (PPE) / Average Gross Block of PPE | % | 9.1 | 8.7 | 8.7 | 8.6 | 8.5 | 9.1 | 9.5 | 10.0 | 11.7 | 11.7 | 10.6 | 10.2 |
| **Ratios - Per Share** | | | | | | | | | | | | | |
| EPS - adjusted for Bonus | ₹ | 103.62 | 89.27 | 86.71 | 86.19 | 83.05 | 67.10 | 66.71 | 61.59 | 55.94 | 50.68 | 48.84 | 35.50 |
| Price Earning Ratio, end of year | Times | 36.1 | 35.6 | 36.6 | 21.2 | 24.1 | 21.2 | 18.2 | 20.4 | 22.8 | 25.1 | 21.8 | 22.1 |
| Dividend Per Share | ₹ | 43.00 | 38.00 | 38.00 | 73.00 | 30.00 | 50.00 | 47.00 | 43.50 | 79.00 | 79.00 | 32.00 | 22.00 |
| Dividend Per Share - adjusted for Bonus | ₹ | 43.00 | 38.00 | 38.00 | 73.00 | 30.00 | 25.00 | 23.50 | 21.75 | 39.50 | 39.50 | 16.00 | 11.00 |
| Market Capitalisation / Total Revenue | Times | 7.1 | 7.2 | 7.2 | 4.4 | 5.1 | 4.4 | 4.1 | 4.6 | 5.3 | 5.3 | 5.1 | 4.9 |

Note : The Company transitioned into Ind AS from April 1, 2015.

*Excluding provision towards legal claim.

#Excluding the impact of one-time employee reward.

# Corporate Governance Report



## I. Company's Philosophy on Corporate Governance

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

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

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

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

In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors that suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act").

The Company's corporate governance philosophy has been further strengthened through the Tata Business Excellence Model, the TCS Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code"). The Company has in place an Information Security Policy that ensures proper utilization of IT resources.

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

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

[1] GRI 2-9

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

| Material Topic | TCS' Approach |
|---|---|
| Board effectiveness, independence and protection of minority shareholders' interests | Board effectiveness is enhanced by setting a high bar in selecting the right mix of individuals to serve on the Board, with the right qualifications, expertise and experience, who can collectively serve the best interests of all stakeholders, maintain board and management accountability and drive corporate ethics, values and sustainability. Profiles of Board members are available at https://www.tcs.com/ir-corporate-governance<br><br>For greater diversity of opinions and perspectives within the Board, the Nomination and Remuneration Committee[2] has fostered diversity in terms of backgrounds, areas of expertise and:<br><br>• Gender: 2 of the 9 (22.2 percent) members are women.<br>• Nationality: 3 nationalities represented – Indian, American and Danish.<br>• Industry: Technology, Banking, Energy, Transportation and Academia.<br><br>TCS' policy on Appointment of Directors and Board Diversity can be found at https://on.tcs.com/appointment-BoD.<br><br>Board independence is ensured by having an independent majority, with 5 independent directors out of 9 i.e., 55.6 percent. None of the independent directors is related to each other, or to the non-independent directors. Average tenure of independent directors is 5 years. |
| | Board effectiveness is further improved by ensuring that none of the directors holds directorships in more than seven listed entities, and none of the executive directors serve as an independent director on the Boards of more than three listed entities.<br><br>TCS' governance philosophy around minority shareholders' interests is guided by the TCoC which emphasizes fairness and transparency to all stakeholders. Further a qualified, diverse and independent Board ensures that minority shareholders' interests are protected.<br><br>TCS strives to reduce information asymmetry through transparency, extensive disclosures and detailed commentary of the demand environment and the state of the business, and material developments. The Company provides a variety of channels including a structured global investor outreach program, through which minority shareholders can interact with the management or the Board.<br><br>Shareholders can communicate concerns and grievances to the Company Secretary's office through a well-publicized channel, where complaints are tracked to closure. The Stakeholders' Relationship Committee oversees the redressal of these complaints. |

[2] GRI 2-10

| Material Topic | TCS' Approach |
|---|---|
| Avoidance of conflict of interest[3] | Chairmanship[4] of the Board is a non-executive position, and separate from that of the Chief Executive Officer and Managing Director (CEO and MD).<br><br>TCoC[5] for non-executive directors, and for independent directors, carries explicit clauses covering avoidance of conflict of interest. Likewise, it explicitly prohibits any employee – including the Managing Director and executive directors – from accepting any position of responsibility, with or without remuneration, with any other organization without TCS' prior written approval. For executive directors and the Managing Director, such approval must be obtained from the Board. |
| Values, Ethics and compliance[6] | Over the last five decades, TCS has consistently demonstrated very principled conduct and has earned its reputation for trust and integrity while building a highly successful global business.<br>The Company's core values are: Leading Change, Integrity, Respect for the Individual, Excellence, and Learning and Sharing.<br><br>The TCoC serves as a moral guide and a governing framework for responsible corporate citizenship. It sets out guidelines on various topics including respect for human rights, prohibition of bribery and corruption, recognition of employees' freedom of association, and avoidance of conflicts of interest.<br><br>Every employee is required to sign the TCoC at the time of joining the Company. Annual refresher courses are mandated to ensure continued awareness of the Code. Further, frequent communications from the leadership reiterate the importance of the company values and the TCoC. |

[3] GRI 2-15
[4] GRI 2-11
[5] https://www.tcs.com/tata-code-of-conduct
[6] GRI 2-12

| Material Topic | TCS' Approach |
|---|---|
| | Customers are made aware of the TCoC principles in contract discussions, and through inclusion of specific clauses in proposals and contracts.<br><br>Employees can raise ethics concerns on Ultimatix – the intranet portal of the Company, which are investigated and tracked to closure by the HR department. Employees and other stakeholders can also report any non-compliance to the TCoC or to the laws of the land by senior executives directly to the Chairman of the Audit Committee under the Whistle blower Policy without fear of retaliation. Information about these channels is communicated to employees as part of the mandatory training modules.<br><br>Compliance to laws of the countries in which we operate, as well as global legislation such as Foreign Corrupt Practices Act, Bribery Act, 2010 is monitored through formal compliance procedures led by the corporate compliance office. Changes to legislation are closely monitored, risks are evaluated and effectively managed across our operations.<br><br>Governance, Risk and Compliance are overseen by the Chief Compliance Officer, Chief Risk Officer and the Chief HR Officer who report to the Chief Operating Officer and Executive Director (COO and ED), and CEO and MD respectively. At the apex level, the Audit Committee headed by an Independent Director oversees compliance to the TCoC, Anti-Bribery and Anti-Corruption Policy and Gift and Hospitality Policy. and to external regulations. |

| Material Topic | TCS' Approach |
|---|---|
| Tax Strategy[7] | TCS is committed to comply with the applicable laws and regulations, and believes in reporting to the respective tax authority, relevant information that is complete and accurate, in a timely manner.<br><br>TCS does not engage in aggressive and contrived tax planning or tax structuring for the purpose of gaining tax advantages. TCS's tax policy is to optimize the tax cost, avail tax incentives where available, while achieving 100 percent compliance with the spirit as well as the letter of the tax laws and regulations in all countries in which it operates. Compliance is achieved through a robust compliance reporting and monitoring process, with a strong governance on minimizing the tax risk. TCS has zero tolerance towards tax evasion, or the facilitation of tax evasion, by itself or by its employees or vendors.<br><br>TCS maintains open and collaborative relationships with governments and tax authorities worldwide. Where appropriate, TCS seeks advance clearance from tax authorities on the proposed tax treatment of transactions, helping pre-empt future disputes. |

[7] GRI 207-1

[8] GRI 2-12, GRI 2-14

| Material Topic | TCS' Approach |
|---|---|
| Board Oversight of Sustainability Matters[8] | TCS' approach to sustainable growth is built on the belief that it can expand its business by creating longer term value for all its stakeholders, including employees, customers, suppliers and local communities, while also valuing the environment. The various sustainability topics material to TCS are overseen by the relevant Board committees, as outlined below: |

| Material Sustainability Topics | Board Committee |
|---|---|
| Financial reporting, robustness of internal controls, auditor remuneration, compliance to policies around insider trading, whistle blower, ethics and Tata Code of Conduct | Audit Committee |
| Risk management policy and plan, management of foreign exchange risks, cyber security risks, data privacy risks and intellectual property infringements risks | Risk Management Committee |
| Recommend composition of Board and its committees, appointment/re-appointment of directors and KMP, evaluation of the performance of the Board, Committees and Directors | Nomination and Remuneration Committee |
| Health and safety at the workplace, shareholder grievances and other sustainability initiatives | Stakeholders' Relationship Committee |
| Community initiatives and Corporate Social Responsibility compliance | Corporate Social Responsibility Committee |

| Material Topic | TCS' Approach |
|---|---|
| Succession planning | TCS' philosophy of empowering employees, its industry-leading talent retention, and a decentralized organization structure that devolves executive decision-making across over 150 business units have resulted in a large and deep bench of leadership talent that enables robust succession planning and continuity and consistency in strategy. Succession planning for the top two leadership positions in each business unit is reviewed by senior management.<br>Additionally, heads of business units carry out succession planning for key functions within their units.<br><br>Succession planning at senior management levels is reviewed by the Board. Business or unit heads are invited to present on specific topics at Board meetings from time to time, offering an opportunity to the directors to assess their values, competencies, and capabilities. |

## II. Board of Directors

i. As on March 31, 2022, the Company has nine Directors. Of the nine Directors, seven (i.e. 77.8 percent) are Non-Executive Directors out of which five (i.e. 55.6 percent) are Independent Directors including women directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and 152 of the Act.

ii. None of the Directors on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as independent directors in more than seven listed entities; and
- who are the Executive Directors serves as independent directors in more than three listed entities.

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022 have been made by the Directors. None of the Directors is related to each other except N Ganapathy Subramaniam and N Chandrasekaran.

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

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

April 12, 2021; July 8, 2021; October 8, 2021; January 12, 2022 and March 10, 2022. The necessary quorum was present for all the meetings.

v. The names and categories of the directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2022 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public limited companies in which he/she is a director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

| Name of the Director and DIN | Category | Number of Board Meetings attended during the FY 2022 | Whether attended last AGM held on June 10, 2021 | Number of Directorships in other Public Companies | | Number of Committee positions held in other Public Companies | | Directorship in other listed entity (Category of Directorship) |
|---|---|---|---|---|---|---|---|---|
| | | | | Chairman | Member | Chairman | Member | |
| N Chandrasekaran (Chairman) DIN 00121863 | Non-Independent, Non-Executive | 5 | Yes | 7 | - | - | - | 1. Tata Steel Limited @<br>2. Tata Motors Limited@<br>3. Tata Consumer Products Limited (Formerly known as Tata Global Beverages Limited) @<br>4. The Tata Power Company Limited @<br>5. The Indian Hotels Company Limited @<br>6. Tata Chemicals Limited @ |
| Rajesh Gopinathan (Chief Executive Officer and Managing Director) DIN 06365813 | Non-Independent, Executive | 5 | Yes | - | - | - | - | - |
| N Ganapathy Subramaniam (Chief Operating Officer and Executive Director) DIN 07006215 | Non-Independent, Executive | 5 | Yes | 1 | 2 | - | - | 1. Tata Elxsi Limited @<br>2. Tata Communications Limited @<br>3. Tejas Networks Limited @ |

| Name of the Director and DIN | Category | Number of Board Meetings attended during the FY 2022 | Whether attended last AGM held on June 10, 2021 | Number of Directorships in other Public Companies | | Number of Committee positions held in other Public Companies | | Directorship in other listed entity (Category of Directorship) |
|---|---|---|---|---|---|---|---|---|
| | | | | Chairman | Member | Chairman | Member | |
| O P Bhatt<br>DIN 00548091 | Independent, Non-Executive | 5 | Yes | - | 4 | 2 | 5 | 1. Hindustan Unilever Limited #<br>2. Tata Steel Limited #<br>3. Tata Motors Limited #<br>4. Aadhar Housing Finance Limited (Debt Listed) # |
| Aarthi Subramanian<br>DIN 07121802 | Non-Independent, Non-Executive | 5 | Yes | 2 | 5 | 1 | 3 | Tata Capital Limited (Debt Listed) @ |
| Dr Pradeep Kumar Khosla<br>DIN 03611983 | Independent, Non-Executive | 5 | Yes | - | - | - | - | - |
| Hanne Sorensen<br>DIN 08035439 | Independent, Non-Executive | 5 | Yes | - | 1 | - | 2 | Tata Motors Limited # |
| Keki Mistry<br>DIN 00008886 | Independent, Non-Executive | 5 | Yes | 1 | 4 | 1 | 5 | 1. Housing Development Finance Corporation Limited $<br>2. Torrent Power Limited #<br>3. HDFC Life Insurance Company Limited ^<br>4. HDFC Asset Management Company Limited@ |
| Don Callahan<br>DIN 08326836 | Independent, Non-Executive | 5 | Yes | - | - | - | - | - |

*Category of directorship held:*

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

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in FY 2022 were held through video conferencing.

vi. During FY 2022, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

vii. During FY 2022, one meeting of the Independent Directors was held on April 8, 2021. The Independent Directors, *inter-alia*, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

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

ix. Details of equity shares of the Company held by the Directors as on March 31, 2022 are given below:

| Name | Category | Number of equity shares |
|---|---|---|
| N Chandrasekaran | Non-Independent, Non-Executive | 1,77,056 |
| Aarthi Subramanian | Non-Independent, Non-Executive | 5,600 |
| Rajesh Gopinathan | Non-Independent, Executive | 2,760 |
| N Ganapathy Subramaniam | Non-Independent, Executive | 1,97,760 |
| Keki Mistry* | Independent, Non-Executive | 4,150 |

**includes shares held jointly with relative*

The Company has not issued any convertible instruments.

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

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

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

## III. Committees of the Board

i. There are six Board Committees as on March 31, 2022, details of which are as follows:

<table>
<tr><th>Name of the Committee</th><th>Extract of terms of reference</th><th colspan="2">Category and composition</th><th>Other details</th></tr>
<tr><td rowspan="8">Audit Committee</td><td rowspan="8">Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.<br><br>• Oversight of financial reporting process.<br><br>• Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.<br><br>• Evaluation of internal financial controls and risk management systems.<br><br>• Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.<br><br>• Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.<br><br>• To consider matters with respect to the TCoC, Anti-Bribery and Anti-Corruption Policy and Gift and Hospitality Policy.</td><td>Name</td><td>Category</td><td rowspan="8">• Four meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.<br><br>• Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.<br><br>• The Company Secretary acts as the Secretary to the Audit Committee.<br><br>• Pradeep Manohar Gaitonde, Company Secretary is the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code.<br><br>• Quarterly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.<br><br>• The previous AGM of the Company was held on June 10, 2021 and was attended by Keki Mistry, Chairman of the Audit Committee.</td></tr>
<tr><td>Keki Mistry (Chairman)</td><td>Independent, Non-Executive</td></tr>
<tr><td>O P Bhatt</td><td>Independent, Non-Executive</td></tr>
<tr><td>Aarthi Subramanian</td><td>Non-Independent, Non- Executive</td></tr>
<tr><td>Dr Pradeep Kumar Khosla</td><td>Independent, Non-Executive</td></tr>
<tr><td>Hanne Sorensen</td><td>Independent, Non-Executive</td></tr>
<tr><td>Don Callahan</td><td>Independent, Non-Executive</td></tr>
</table>

<table>
<tr><th>Name of the Committee</th><th>Extract of terms of reference</th><th colspan="2">Category and composition</th><th>Other details</th></tr>
<tr><td>Nomination and Remuneration Committee (“NRC”)</td><td>Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.<ul><li>Recommend to the Board the setup and composition of the Board and its Committees.</li><li>Recommend to the Board the appointment/ re-appointment of Directors and Key Managerial Personnel.</li><li>Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.</li><li>Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees.</li><li>Oversee familiarization programs for Directors.</li></ul></td><td colspan="2"><table><tr><th>Name</th><th>Category</th></tr><tr><td>O P Bhatt (Chairman)</td><td>Independent, Non-Executive</td></tr><tr><td>N Chandrasekaran</td><td>Non-Independent, Non-Executive</td></tr><tr><td>Hanne Sorensen</td><td>Independent, Non-Executive</td></tr><tr><td>Aarthi Subramanian*</td><td>Non-Independent, Non-Executive</td></tr></table>*Ceased to be a member of the Committee w.e.f. October 8, 2021.</td><td><ul><li>Two NRC meetings were held during the year under review.</li><li>The Company does not have any Employee Stock Option Scheme.</li><li>Details of Performance Evaluation Criteria and Remuneration Policy are provided at serial no. III (iii) below.</li><li>The previous AGM of the Company was held on June 10, 2021 and was attended by O P Bhatt, Chairman of the NRC.</li></ul></td></tr>
<tr><td>Stakeholders’ Relationship Committee (“SRC”)</td><td>Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.<ul><li>Consider and resolve the grievances of security holders.</li><li>Consider and approve issue of share certificates, transfer and transmission of securities, etc.</li><li>Review activities with regard to the Health Safety and Sustainability initiatives of the Company.</li></ul></td><td colspan="2"><table><tr><th>Name</th><th>Category</th></tr><tr><td>Dr Pradeep Kumar Khosla (Chairman)</td><td>Independent, Non-Executive</td></tr><tr><td>Rajesh Gopinathan</td><td>Non-Independent, Executive</td></tr><tr><td>Keki Mistry</td><td>Independent, Non-Executive</td></tr></table></td><td><ul><li>Two meetings of the SRC were held during the year under review.</li><li>Details of Investor complaints and Compliance Officer are provided at serial no. III (ii) below.</li><li>The previous AGM of the Company was held on June 10, 2021 and was attended by Dr Pradeep Kumar Khosla, Chairman of the SRC.</li></ul></td></tr>
</table>

<table>
<tr><th>Name of the Committee</th><th>Extract of terms of reference</th><th colspan="2">Category and composition</th><th>Other details</th></tr>
<tr><td rowspan="5">Corporate Social Responsibility (“CSR”) Committee</td><td rowspan="5">Committee is constituted in line with the provisions of Section 135 of the Act.<br>• Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.<br>• Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.<br>• Monitor the CSR Policy.</td><td>Name</td><td>Category</td><td rowspan="5">• Three meetings of the CSR Committee were held during the year under review.<br>• Three Board meetings of TCS Foundation, a Section 8 company which was incorporated with sole objective of carrying on CSR activities of the Company were held during the year.</td></tr>
<tr><td>N Chandrasekaran (Chairman)</td><td>Non-Independent, Non-Executive</td></tr>
<tr><td>O P Bhatt</td><td>Independent, Non-Executive</td></tr>
<tr><td>N Ganapathy Subramaniam</td><td>Non-Independent, Executive</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td rowspan="8">Risk Management Committee (“RMC”)</td><td rowspan="8">Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations.<br>• Formulate, monitor and review risk management policy and plan, inter-alia, covering investment of surplus funds, management of foreign exchange risks, cyber security risks, data privacy risks and intellectual property infringements risks.<br>• Approve addition/deletion of banks from time to time for carrying out Treasury transactions and delegate the said power to such person as may deem fit.</td><td>Name</td><td>Category</td><td rowspan="8">• Five meetings of the RMC were held during the year under review.<br>• Fortnightly reports on management of foreign exchange risks are made available to the members of the RMC.</td></tr>
<tr><td>Keki Mistry (Chairman)</td><td>Independent, Non-Executive</td></tr>
<tr><td>Don Callahan</td><td>Independent, Non-Executive</td></tr>
<tr><td>Rajesh Gopinathan</td><td>Non-Independent, Executive</td></tr>
<tr><td>N Ganapathy Subramaniam</td><td>Non-Independent, Executive</td></tr>
<tr><td>V Ramakrishnan*</td><td>Chief Financial Officer</td></tr>
<tr><td>Samir Seksaria**</td><td>Chief Financial Officer</td></tr>
<tr><td colspan="2">*Ceased to be a member of the Committee consequent to his retirement w.e.f. April 30, 2021.<br>**Appointed as a member of this Committee w.e.f. May 1, 2021.</td></tr>
</table>

| Name of the Committee | Extract of terms of reference | Category and composition | | Other details |
|---|---|---|---|---|
| Executive Committee | Detailed review of the following matters which form part of terms of Executive Committee, were presented to the Board:<br>• Business and strategy review;<br>• Long-term financial projections and cash flows;<br>• Capital and revenue budgets and capital expenditure programmes;<br>• Acquisitions, divestments and business restructuring proposals;<br>• Senior management succession planning;<br>• Any other item as may be decided by the Board. | **Name** | **Category** | The said matters were discussed in various Board meetings held during the year under review in the presence of the Executive Committee Members with the intent to avail expertise of all Board members. |
| | | N Chandrasekaran (Chairman) | Non-Independent, Non-Executive | |
| | | Rajesh Gopinathan | Non-Independent, Executive | |
| The terms of reference of these committees are available on the website (https://www.tcs.com/ir-corporate-governance) | | | | |

### ii. Stakeholders' Relationship Committee-other details

a. Name, designation and address of Compliance Officer:
Pradeep Manohar Gaitonde, Company Secretary
Tata Consultancy Services Limited, 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021, India.
Telephone: +91 22 6778 9595

b. Details of investor complaints received and redressed during FY 2022 are as follows:

| Opening balance | Received during the year | Resolved during the year | Closing balance |
|---|---|---|---|
| - | 87 | 87 | - |

### iii. Nomination and Remuneration Committee-other details

**Performance Evaluation Criteria for Independent Directors:**

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

**Remuneration Policy[9]:**

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs.

The remuneration policy supports such mobility through pay models that are compliant to local regulations. In each country where the Company operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the IT industry.

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

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

The Company pays sitting fees of ₹ 30,000 per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of committees of the Board. The Company also pays commission to the Non-Executive Directors within the ceiling of 1 percent of the net profits of the Company as computed under the applicable provisions of the Act, with the approval of the Members. The said commission is decided each year by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and distributed amongst the Non-Executive Directors based on the Board evaluation process, considering criteria such as their attendance and contribution at the Board and Committee meetings, as well as the time spent

[9] GRI 2-19

on operational matters other than at meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. The Remuneration policy is available on https://on.tcs.com/remuneration-policy.

**iv. Details of the Remuneration for the year ended March 31, 2022:**

**a) Non-Executive Directors:**

(₹ lakh)

| Name | Commission | Sitting Fees |
|---|---|---|
| N Chandrasekaran, Chairman@ | - | 3.0 |
| O P Bhatt | 250.0 | 4.5 |
| Aarthi Subramanian@@ | - | 3.3 |
| Dr Pradeep Kumar Khosla | 225.0 | 3.6 |
| Hanne Sorensen | 225.0 | 3.6 |
| Keki Mistry | 250.0 | 5.1 |
| Don Callahan | 225.0 | 4.5 |
| **Total** | **1,175.0** | **27.6** |

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

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

**b) Managing Director and Executive Director**

(₹ lakh)

| Name of Director | Salary | Benefits, Perquisites and Allowances | Commission | ESPS* |
|---|---|---|---|---|
| Rajesh Gopinathan<br>Chief Executive Officer and Managing Director<br>(appointed for a period of 5 years w.e.f. February 21, 2017 to February 20, 2022 and re-appointed for a further period of five years w.e.f. February 21, 2022 to February 20, 2027) | 151.5 | 225.1 | 2,200.0 | - |
| N Ganapathy Subramaniam<br>Chief Operating Officer and Executive Director<br>(appointed for a period of 5 years w.e.f. February 21, 2017 to February 20, 2022 and re-appointed for a further period from February 21, 2022 to May 19, 2024) | 144.3 | 224.6 | 1,700.0 | - |

*Employee Stock Purchase Scheme

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

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

v. Number of committee meetings held and attendance records

| Name of the Committee → | Audit Committee | Nomination and Remuneration Committee | Stakeholders' Relationship Committee | Corporate Social Responsibility Committee | Risk Management Committee |
|---|---|---|---|---|---|
| No. of meetings held → | 4 | 2 | 2 | 3 | 5 |
| Date of meetings → | April 12, 2021; July 8, 2021; October 8, 2021 and January 12, 2022 | April 12, 2021 and October 8, 2021 | July 22, 2021 and January 28, 2022 | April 9, 2021; August 19, 2021 and October 21, 2021@ | April 6, 2021; July 2, 2021; October 6, 2021; January 3, 2022 and March 25, 2022 |
| No. of Meetings Attended | | | | | |
| **Name of Member** | | | | | |
| N Chandrasekaran | - | 2 | - | 3 | - |
| Rajesh Gopinathan | - | - | 2 | - | 5 |
| O P Bhatt | 4 | 2 | - | 3 | - |
| N Ganapathy Subramaniam | - | - | - | 3 | 5 |
| Aarthi Subramanian* | 4 | 2 | - | - | - |
| Dr Pradeep Kumar Khosla | 4 | - | 2 | - | - |
| Hanne Sorensen | 4 | 2 | - | - | - |
| Keki Mistry | 4 | - | 2 | - | 5 |
| Don Callahan | 4 | - | - | - | 5 |
| V Ramakrishnan** | - | - | - | - | 1 |
| Samir Seksaria*** | - | - | - | - | 4 |
| Whether quorum was present for all the meetings | The necessary quorum was present for all the above committee meetings | | | | |

@ TCS Foundation, a Section 8 company incorporated in 2015 with sole objective of carrying on CSR activities of the Company, has held three meetings during the FY 2022

* Aarthi Subramanian ceased to be a member of the NRC w.e.f. October 8, 2021

** V Ramakrishnan ceased to be a member of the RMC w.e.f. April 30, 2021

*** Samir Seksaria was appointed as member of the RMC w.e.f. May 1, 2021

Due to the exceptional circumstances caused by the COVID-19 pandemic all committee meetings in FY 2022 were held through video conferencing.

## IV. General Body Meetings

i. General Meeting

a. Annual General Meeting ("AGM"):

| Financial Year | Date | Time | Venue |
|---|---|---|---|
| 2019 | June 13, 2019 | 3.30 p.m. | Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai – 400 020 |
| 2020 | June 11, 2020 | | Meeting conducted through Video Conferencing ("VC")/ Other Audio Video Means ("OAVM") pursuant to the MCA Circular |
| 2021 | June 10, 2021 | | |

b. Extraordinary General Meeting:

No extraordinary general meeting of the members was held during FY 2022.

c. Special resolution:

Special resolution for re-appointment of O P Bhatt as an Independent Director was passed at the AGM held in 2019 and no special resolution was passed in the previous AGMs held in 2020 and 2021.

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

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated January 12, 2022 for buyback of its equity shares, which was duly passed and the results of which were announced on February 12, 2022.
P N Parikh (Membership No. FCS 327) of Parikh & Associates, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

| Description of the Resolution | Votes in favour of the resolution | | | Votes against the resolution | | | Invalid votes | |
|---|---|---|---|---|---|---|---|---|
| | Number of members voted | Number of valid votes cast (Shares) | Percentage of total number of valid votes cast | Number of members voted | Number of valid votes cast (Shares) | Percentage of total number of valid votes cast | Total number of members whose votes were declared invalid | Total number of invalid votes cast (Shares) |
| Approval for Buyback of Equity Shares | 13,474 | 3,42,48,03,887 | 99.67 | 823 | 1,12,58,517 | 0.33 | 0 | 0 |

Procedure for postal ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020, 17/2020, 02/2021 and 21/2021 dated April 8, 2020, April 13, 2020, January 13, 2021 and December 14, 2021 respectively issued by the Ministry of Corporate Affairs.

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

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

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

**VI.** B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W–100022) has been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis for FY 2022 is given below:

(₹ lakh)

| Particulars | Amount |
|---|---|
| Services as statutory auditors (including quarterly audits) | 910.1 |
| Tax audit | 66.9 |
| Services for tax matters | 21.5 |
| Other matters | 371.0 |
| Reimbursement of out-of-pocket expenses | 70.8 |
| **Total** | **1,440.3** |

## VII. Other Disclosures

| Particulars | Statutes | Details | Website link for details/policy |
|---|---|---|---|
| Related party transactions | Regulation 23 of SEBI Listing Regulations and as defined under the Act | There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2022 were in the ordinary course of business and at arms' length basis and were approved by the members of Audit Committee including Independent Directors.<br><br>The Board's approved policy for related party transactions is uploaded on the website of the Company. | https://on.tcs.com/RPT |
| Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three financial years. | Schedule V (C) 10(b) to the SEBI Listing Regulations | NIL | |
| Whistle Blower Policy and Vigil Mechanism | Regulation 22 of SEBI Listing Regulations | The Company has this Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company. | https://on.tcs.com/WhistleBP |
| Discretionary requirements | Schedule II Part E of the SEBI Listing Regulations | • A message from the Chief Executive Officer and Managing Director on the half-yearly financial performance of the Company including a summary of the significant events in the six month period ended September 30, 2021 was sent to every member.<br><br>• The auditors' report on financial statements of the Company are unmodified.<br><br>• Internal auditors of the Company make quarterly presentations to the Audit Committee on their reports. | |

| Particulars | Statutes | Details | Website link for details/policy |
|---|---|---|---|
| Subsidiary Companies | Regulation 24 of the SEBI Listing Regulations | The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.<br><br>The Company does not have any material unlisted subsidiary company.<br><br>The Company has a policy for determining 'material subsidiaries' which is disclosed on its website. | https://on.tcs.com/Subsidiary |
| Policy on Determination of Materiality for Disclosures | Regulation 30 of SEBI Listing Regulations | The Company has adopted this policy. | https://on.tcs.com/Material |
| Policy on Archival and Preservation of Documents | Regulation 9 of SEBI Listing Regulations | The Company has adopted this policy. | https://on.tcs.com/Archival |
| Reconciliation of Share Capital Audit Report | Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002. | A practising Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. | https://www.tcs.com/ir-corporate-governance |
| Code of Conduct | Regulation 17 of the SEBI Listing Regulations | The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2022. A certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from the members of the Board and Senior Management forms part of this report. | https://www.tcs.com/tata-code-of-conduct |

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

## VIII. Means of Communication

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers in India which include The Indian Express, Financial Express, Loksatta, Business Standard, The Hindu Business Line, Hindustan Times and Sandesh. The results are also displayed on the Company's website www.tcs.com.

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

## IX. General shareholder information

### i. Annual General Meeting for FY 2022

Date : June 9, 2022

Time : 3.30 p.m. (IST)

Venue : Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 read with general circulars dated April 8, 2020, April 13, 2020, January 13, 2021 and December 14, 2021 as such there is no requirement to have a venue for the AGM.

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

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

### ii. Financial Calendar

Year ending : March 31

AGM in : June

**iii. Dividend Payment** : The final dividend, if approved, shall be paid/credited on Monday, June 13, 2022

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

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

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

### vi. Stock Codes/Symbol

NSE : TCS

BSE : 532540

Listing Fees as applicable have been paid.

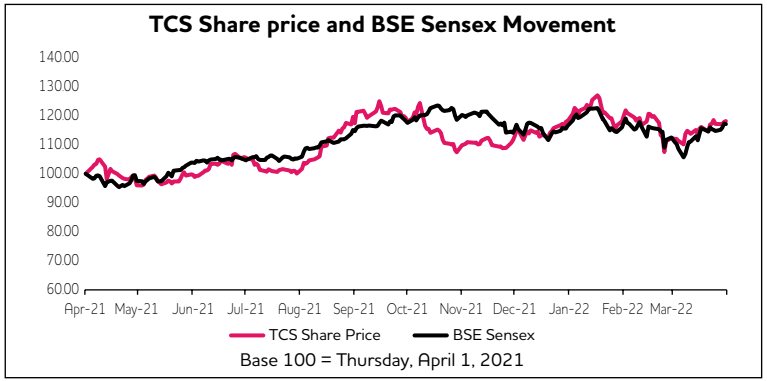
**vii. Corporate Identity Number (CIN) of the Company** : L22210MH1995PLC084781

### viii. Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in FY 2022 on NSE and BSE:

| Month | NSE | | | BSE | | |
|---|---|---|---|---|---|---|
| | High (₹) | Low (₹) | Total number of equity shares traded | High (₹) | Low (₹) | Total number of equity shares traded |
| Apr-2021 | 3,322.25 | 3,035.65 | 6,13,28,558 | 3,322.20 | 3,038.40 | 33,77,869 |
| May-2021 | 3,180.00 | 3,037.00 | 4,35,38,924 | 3,180.20 | 3,037.00 | 14,87,104 |
| Jun-2021 | 3,380.80 | 3,129.45 | 4,50,79,239 | 3,380.70 | 3,129.30 | 41,47,717 |
| Jul-2021 | 3,341.50 | 3,167.45 | 4,43,49,890 | 3,341.00 | 3,167.50 | 28,94,265 |
| Aug-2021 | 3,786.45 | 3,219.40 | 5,66,78,047 | 3,786.55 | 3,217.90 | 23,77,544 |
| Sep-2021 | 3,954.55 | 3,714.95 | 5,05,65,601 | 3,954.80 | 3,714.05 | 26,14,393 |
| Oct-2021 | 3,935.65 | 3,397.75 | 7,12,51,894 | 3,935.30 | 3,398.80 | 46,97,020 |
| Nov-2021 | 3,556.40 | 3,443.30 | 4,32,67,875 | 3,555.15 | 3,443.55 | 17,32,795 |
| Dec-2021 | 3,738.35 | 3,536.40 | 4,47,24,473 | 3,736.85 | 3,534.35 | 20,13,929 |
| Jan-2022 | 4,019.15 | 3,649.25 | 6,63,32,036 | 4,019.10 | 3,650.10 | 40,59,762 |
| Feb-2022 | 3,856.20 | 3,401.65 | 6,69,67,591 | 3,857.00 | 3,402.25 | 41,93,160 |
| Mar-2022 | 3,749.85 | 3,484.90 | 5,05,59,459 | 3,750.00 | 3,485.30 | 22,34,459 |

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




**x. Registrar and Transfer Agents**

Name and Address : TSR Consultants Private Limited (TCPL)
(formerly known as TSR Darashaw Consultants Private Limited)
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli West, Mumbai 400 083
Telephone: +91 22 6656 8484
Extn: 411/412/413
Fax: +91 22 6656 8494
E-mail: csg-unit@tcplindia.co.in
Website: https://www.tcplindia.co.in

**xi. Places for acceptance of documents:**

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

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

**Branches of TCPL:**

| Place | Name and Address | Phone/Fax/Email |
|---|---|---|
| Mumbai | TSR Consultants Private Limited<br>Building 17/19, Office no. 415<br>Rex Chambers, Ballard Estate,<br>Walchand Hirachand Marg,<br>Fort, Mumbai-400 001. | Tel: +91 7304874606 |
| Bengaluru | TSR Consultants Private Limited<br>C/o. D. Nagendra Rao<br>"Vaghdevi" 543/A, 7th Main<br>3rd Cross, Hanumanthnagar<br>Bengaluru-560 019 | Tel: +91 80 26509004<br>Email: tcplbang@tcplindia.co.in |
| Kolkata | TSR Consultants Private Limited<br>C/o Link Intime India Private Limited<br>Vaishno Chamber, Flat No. 502 and<br>503 5th Floor, 6, Brabourne Road<br>Kolkata-700 001 | Tel: +91 33 40081986<br>Email: tcplcal@tcplindia.co.in |

| Place | Name and Address | Phone/Fax/Email |
|---|---|---|
| New Delhi | TSR Consultants Private Limited<br>C/o Link Intime India Private Limited<br>Noble Heights, 1st Floor<br>Plot No NH-2, C-1 Block, LSC<br>Near Savitri Market, Janakpuri<br>New Delhi – 110 058 | Tel: +91 11 49411030<br>Email: tcpldel@tcplindia.co.in |
| Jamshedpur | TSR Consultants Private Limited<br>Bungalow No. 1, 'E' Road,<br>Northern Town Bistupur,<br>Jamshedpur-831 001 | Tel: +91 657 2426937<br>Email: tcpljsr@tcplindia.co.in |
| Ahmedabad | TSR Consultants Private Limited<br>C/o Link Intime India Private Limited<br>Amarnath Business Centre-1 (ABC-1)<br>Beside Gala Business Centre<br>Nr. St. Xavier's College Corner<br>Off. C.G. Road, Ellisbridge<br>Ahmedabad-380 006 | Tel: +91 79 26465179<br>Email: csg-unit@tcplindia.co.in |

**xii. Share Transfer System:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode. The requests for effecting transfer/transmission/ transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board.

**xiii. Shareholding as on March 31, 2022:**

**a) Distribution of equity shareholding as on March 31, 2022:**

| Number of shares | Holding | Percentage to capital | Number of accounts | Percentage to total accounts |
|---|---|---|---|---|
| 1-100 | 4,94,29,417 | 1.4 | 22,98,580 | 88.9 |
| 101-500 | 4,90,43,599 | 1.3 | 2,41,970 | 9.4 |
| 501-1000 | 1,80,30,724 | 0.5 | 25,233 | 1.0 |
| 1001-5000 | 3,25,02,667 | 0.9 | 16,826 | 0.7 |
| 5001-10000 | 1,08,79,779 | 0.3 | 1,540 | 0.0 |
| 10001-20000 | 1,08,42,206 | 0.3 | 767 | 0.0 |
| 20001-30000 | 78,07,860 | 0.2 | 317 | 0.0 |
| 30001-40000 | 59,50,035 | 0.2 | 171 | 0.0 |
| 40001- 50000 | 61,22,962 | 0.2 | 135 | 0.0 |
| 50001 -100000 | 2,66,88,649 | 0.7 | 370 | 0.0 |
| 100001-above | 344,17,53,475 | 94.0 | 853 | 0.0 |
| **TOTAL** | **365,90,51,373** | **100.0** | **25,86,762** | **100.0** |

**b) Categories of equity shareholding as on March 31, 2022:**

| Category | Number of equity shares held | Percentage of holding |
|---|---|---|
| Promoter | 264,43,17,117 | 72.3 |
| Other Entities of the Promoter Group | 10,68,956 | 0.0 |
| Mutual Funds and UTI | 11,79,36,971 | 3.2 |
| Banks, Financial Institutions, State and Central Government | 29,22,193 | 0.1 |
| Insurance Companies | 16,38,02,109 | 4.5 |
| Foreign Institutional Investors and Foreign Portfolio Investors | 51,77,29,951 | 14.1 |
| NRI's, OCB's, Foreign Nationals | 70,93,699 | 0.2 |
| Corporate Bodies, Trusts | 2,85,33,267 | 0.8 |
| Indian Public and Others | 17,24,88,089 | 4.7 |
| Alternate Investment Fund | 26,02,619 | 0.1 |
| IEPF account | 5,56,402 | 0.0 |
| **TOTAL** | **365,90,51,373** | **100.0** |

**c) Top ten equity shareholders of the Company as on March 31, 2022:**

| Sr. No. | Name of the shareholders* | Number of equity shares held | Percentage of holding |
|---|---|---|---|
| 1 | Tata Sons Private Limited | 264,43,17,117 | 72.3 |
| 2 | Life Insurance Corporation of India | 13,51,44,680 | 3.7 |
| 3 | SBI Mutual Fund | 3,11,90,218 | 0.9 |
| 4 | Invesco Developing Markets Fund | 3,10,72,921 | 0.9 |
| 5 | Axis Mutual Fund | 2,35,05,274 | 0.6 |
| 6 | NPS Trust | 1,44,43,818 | 0.4 |
| 7 | Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds | 1,41,43,562 | 0.4 |
| 8 | Government of Singapore | 1,36,41,333 | 0.4 |
| 9 | Vanguard Total International Stock Index Fund | 1,30,13,618 | 0.4 |
| 10 | UTI Mutual Fund | 1,16,88,173 | 0.3 |

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

**xiv. Dematerialization of shares and liquidity:**

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.97 percent of the Company's equity share capital are dematerialized as on March 31, 2022. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE467B01029.

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

The Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2022, as such instruments have not been issued in the past.

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

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

**xvii. Equity shares in the suspense account:**

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

| Particulars | Number of shareholders | Number of equity shares |
|---|---|---|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2021 | 26 | 1,640 |
| Shareholders who approached the Company for transfer of shares from suspense account during the year | - | - |
| Shareholders to whom shares were transferred from the suspense account during the year | - | - |
| Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act | - | - |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2022 | 26 | 1,640 |

The voting rights on the shares outstanding in the suspense account as on March 31, 2022 shall remain frozen till the rightful owner of such shares claims the shares.

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

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

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

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

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for seven years, of the Company, erstwhile CMC Limited (since amalgamated with the Company). Further, shares of the Company,

in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during FY 2022 are as follows:

| Financial year | Amount of unclaimed dividend transferred (₹ lakh) | Number of shares transferred |
|---|---|---|
| 2013-14 | 183.46* | 9,080 |
| 2014-15 | 444.92 | 16,481 |
| **TOTAL** | **628.38** | **25,561** |

*Includes final dividend of erstwhile CMC Limited

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

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

**a. For shareholders of TCS:**

| Financial Year | Date of declaration | Last date for claiming unpaid dividend |
|---|---|---|
| 2014-15 | June 30, 2015 | July 30, 2022 |
| 2015-16 | July 9, 2015 | August 9, 2022 |
| | October 13, 2015 | November 12, 2022 |
| | January 12, 2016 | February 11, 2023 |
| | June 17, 2016 | July 17, 2023 |
| 2016-17 | July 14, 2016 | August 15, 2023 |
| | October 13, 2016 | November 16, 2023 |
| | January 12, 2017 | February 12, 2024 |
| | June 16, 2017 | July 16, 2024 |
| 2017-18 | July 13, 2017 | August 13, 2024 |
| | October 12, 2017 | November 12, 2024 |
| | January 11, 2018 | February 10, 2025 |
| | June 15, 2018 | July 15, 2025 |
| 2018-19 | July 10, 2018 | August 9, 2025 |
| | October 11, 2018 | November 10, 2025 |
| | January 10, 2019 | February 9, 2026 |
| | June 13, 2019 | July 13, 2026 |

| Financial Year | Date of declaration | Last date for claiming unpaid dividend |
|---|---|---|
| 2019-20 | July 9, 2019 | August 8, 2026 |
| | October 10, 2019 | November 9, 2026 |
| | January 17, 2020 | February 16, 2027 |
| | March 10, 2020 | April 9, 2027 |
| | June 11, 2020 | July 11, 2027 |
| 2020-21 | July 9, 2020 | August 8, 2027 |
| | October 7, 2020 | November 6, 2027 |
| | January 8, 2021 | February 7, 2028 |
| | June 10, 2021 | July 10, 2028 |
| 2021-22 | July 8, 2021 | August 7, 2028 |
| | October 8, 2021 | November 7, 2028 |
| | January 12, 2022 | February 11, 2029 |

**b. For shareholders of erstwhile CMC Limited which has since amalgamated with the Company:**

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

**xix. Plant locations:**

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

**xx. Address for correspondence:**

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

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

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors.

In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2022, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, Global Head-HR, Global Business Unit Heads, Global Head-Legal and the Company Secretary as on March 31, 2022.

**Rajesh Gopinathan**
Chief Executive Officer and
Managing Director
DIN: 06365813

Mumbai, April 11, 2022

## PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of**
**Tata Consultancy Services Limited**

We have examined the compliance of the conditions of Corporate Governance by Tata Consultancy Services Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

**For Parikh & Associates**
Practising Company Secretaries

**P. N. Parikh**
Partner
FCS No: 327 CP No: 1228
UDIN: F000327D000063214
PR No.: 1129/2021

Mumbai, April 11, 2022

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

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

**For Parikh & Associates**
Practising Company Secretaries

**P. N. Parikh**
Partner
FCS No: 327 CP No: 1228
UDIN: F000327D000063379
PR No.: 1129/2021

Mumbai, April 11, 2022

# AWARDS AND ACCOLADES



## Intellectual Capital

- Recognized for **Best Patents Portfolio** in the Large Enterprise category at the **Confederation of Indian Industry Industrial Intellectual Property Awards 2021**.
- Won the **2021 ASSOCHAM IP Excellence Award** for pioneering efforts in facilitating innovations and creating a healthy intellectual property (IP) ecosystem.
- TCS **CodeVita** awarded a **Guinness World Records™ title** as the world's largest computer programming competition with 136,054 participants from 34 countries.
- Awarded **Best Technical Implementation for AI** at the 5th Global Annual Achievement Awards for Artificial Intelligence for re-imagining pharmacovigilance by applying machine vision, artificial intelligence, smart analytics and IoT to automate the intake, processing and analysis of safety cases.
- TCS Optumera™ won the **Best Self Aware Strategic Planning Product** at the **2021 AI Excellence Awards** for continuously monitoring thousands of customer-, market-, and vendor-behaviors; model scenarios and customer behavior to enable businesses in making AI-enabled integrated decisions.
- Won the **Artificial Intelligence Breakthrough Award** in the category **Best AI-based Solution – Retail** for TCS Optunique™ for its ability to deliver unified and contextualized experiences across the omnichannel journey by evaluating customer intent in real time.
- TCS Optunique™, awarded the **Best Theory of Mind Machine Learning Product** at the 2021 AI Excellence Awards for its ability to drive unified personalized experiences across the omnichannel journey.
- TCS' Data Marketplace Solution for COVID-19 awarded at the **19th Asian IT Leadership Awards 2021** under the **Best Use of IT in Healthcare** category.
- Recognized as an **'Innovator'** at **NASSCOM AI Gamechangers 2021** in the Use of AI for Public Services Category for its innovative AI-based Sanitation Inspection system.
- Won **4 Stevie awards** for innovation and IP at the International Business Awards 2021:
    - Gold Stevie for **'Most Innovative Tech Company'** in the 'more than 2500 employees' category.
    - Gold Stevie for TCS TwinX™ in the **Business Technology Solution category – AI/ML solution.**

- Silver Stevie for TCS Omnistore™ in the **Business Technology Solution category – Emerging Technology.**
- Bronze Stevie for TCS' Data Exchange Platform in the **Most Valuable Technical Innovation – COVID-19 Response** category.

- Awarded the **Enterprise Blockchain Award 2021** by the Blockchain Research Institute.
- Won two awards at the **IoT Global Awards 2021**: for **TCS DigiFleet™** in the Automotive, Transport and Travel category and for **TCS Smart Store** in the Retail, Marketing and Hospitality category.
- TCS ADD Regulatory platform won the **India Pharma Awards 2021** in the category of **Excellence in Ancillary Pharma Services**.
- Two TCS-built solutions featured in the **2021 ISG Digital Digital Case Study Awards**: TCS' **Digital Twin Platform for Saipem** won the Energy and Utilities Standout Award as well as the Southern Europe regional standout award; the TCS' **digital transformation work for Shell** won the ANZ regional standout award.
- **TCS TwinX** won the **2022 AI Excellence Award** under the Product category.
- TCS' PredictCX won **'Most Innovative Best Practice'** Award under the customer experience category at the **CII DX Awards 2021**.
- TCS' Risk Analytics Solution won **Best Data Science Solution Award** at the A-Team Group's **Data Management Insight Awards 2021.**
- TCS' **Digital Platform for Next-Generation Agriculture Services** (DNA) won the award for **Excellence in IT Services** for Large Enterprise at the IMC Digital Technology Awards, 2020 for seamlessly bringing together knowledge, actionable insights, farm-input sources, and commerce centers to bridge demand-supply and holistically address problems in the agricultural supply-chain ecosystem.
- Won **6 Stevies**® – 5 gold and 1 silver – at the **2021 Asia-Pacific Stevie Awards** for driving innovation in finance, human resources, and technology, igniting organization-wide transformation, and quickly addressing the requirements of operating during COVID-19.

## Human Capital

- Won the award for **'Role Model in HR Excellence'** at the **12th CII National HR Excellence Awards**.
- Ranked **#1** in the **LinkedIn Top Companies** list of the best workplaces for career growth in India. TCS topped the list in measures of ability to advance, skills growth, company stability, external opportunity, company affinity, gender diversity and spread of educational backgrounds.
- Recognized as **2022 Global Top Employer** for the seventh year in a row by the **Top Employers Institute.**
- Won 3 awards at the **2021 LinkedIn Talent Awards India** in the categories: **Best Employer Brand on LinkedIn, Best Culture of Learning**, and **Diversity Champion**.
- Recognized at the **Wequity Awards 2022** in **"The Equalizer" category** for empowering women technologists, creating a gender-neutral workplace and persistently driving diversity, equity, and inclusion initiatives.
- Won the **National HRD Network's Gold Award** for **Excellence in Performance Management Process and Technology.**
- Xcelerate won Gold in the **HR Excellence Awards** for best HR Technology Strategy.
- Listed among the top **25 Best Big Companies to Work For** in the UK and among the **Best Companies** in the consultancy sector by the Best Companies organization for prioritizing

the health and wellness of its employees and investments in organic talent development.

- Won the **ATD Best of Best Award** for **HR and Talent Development Ecosystem and Innovations.**
- Won a **Gold Stevie** for **Best use of People Analytics** and **Talent Management and Transformation.**
- Ranked #3 in BT-Taggd survey of the **Best Companies to Work For** in India.
- Won **5 awards** at the **Economic Times Human Capital Awards**, in the categories: Excellence in Communication Strategy, Excellence in Creating a Culture of Continuous Learning and Upskilling, Excellence in Fostering Innovation and Design Thinking, Excellence in HR Digital Transformation and Excellence in Recruitment of Professionals.
- Won **14 Gold Medals**, **3 Silvers** and **3 Bronzes** at the **2021 Brandon Hall Group Excellence in Learning Awards**, across Leadership Development (4 Golds), Learning & Development (3 Golds, 2 Silvers), Diversity, Equity and Inclusion (3 Golds, 1 Silver), Talent Acquisition (2 Golds, 1 Bronze), Talent Management (1 Gold, 1 Bronze), Workforce Planning & Management (1 Gold) and Sales Training (1 Bronze).

## Relationship Capital

### BRAND BUILDING

- Recognized by **Brand Finance** as the **second most valuable brand** in IT services globally, moving up one place in 2021. TCS' new brand articulation 'Building on Belief' has resonated strongly with customers and helped the company expand its participation in their growth and transformation initiatives.
- Named a **UK Superbrand** for the seventh consecutive year in recognition of TCS' exceptional business growth, its position as the top strategic IT player by revenue in the UK, its number one ranking in customer satisfaction, and its community initiatives.
- Recognized as a **Superbrand** in Singapore for its strong market reputation, digital initiatives and business growth.
- Awarded two Diamond awards at the **2021 ITSMA Marketing Excellence Awards** in the categories – **Embedding ABM Programs** and **Orchestrating Executive Engagement.**
- Won 3 gold and 2 bronze **Eventex Awards** for its ThisRun campaign and the Virgin Money London Marathon Event App, as well as for excellence across marketing and customer engagement.
- Won the **2021 Economic Times Best Brand of UAE** award for brand reputation in the Middle East region.

### CUSTOMER

- Ranked **#1 in customer satisfaction** across Europe, for the **ninth consecutive year**, in the largest independent survey of 1,800 CxOs from top IT spending organizations in Europe by Whitelane Research. TCS was ranked #1 in UK, France, Netherlands, BeLux, Switzerland, Sweden, Norway and Finland.
- Won **3** awards in partnership with clients at the **DevOps Excellence Awards 2022** in UK for **Best Automation Project** (with Aviva), **Best Use of Compliance as Code** (with Nationwide Building Society) and **Best Use of Microservices/Containers** (with Lloyds Banking Group).

### INVESTOR RELATIONS

- Ranked **#2 Most Honored Company in Asia** (ex-China) for bagging several top rankings in the Technology / IT Services & Software sector in **Institutional Investor's 2021 All-Asia (ex-Japan) Executive Team** rankings based on a survey of 4,084 investment professionals at 1,285 financial services firms across Asia. Top rankings included **Best IR Professional (#1), Best IR Program (#2)**, and **Best ESG (#2)**.

- Recognized by **Institute of Chartered Accountants of India** with a **Gold Shield Award** for **Excellence in Integrated Reporting in Service Sector** at the **ICAI Sustainability Reporting Awards 2020-21.**

**INDUSTRY ANALYST**

- Ranked the **#1 Engineering Services PEAK Matrix Provider of the Year 2022** by **Everest Group** for the highest consolidated score across five engineering services PEAK Matrix evaluations published in 2021, in each of which TCS was ranked a Leader.

- TCS was ranked a Leader in **92 competitive assessments published by leading research firms in FY 2022** (86 in FY 2021):

| Firm | Report type | Title |
|---|---|---|
| **Q4** | | |
| Everest Group | PEAK Matrix | Multi-Process Human Resources Outsourcing (MPHRO) Services PEAK Matrix® Assessment 2022 |
| HFS | Top 10 | HFS Energy Transition Services Top 10 Snapshot, 2022 |
| ISG | Lens | ISG Provider Lens™ Salesforce Ecosystem Partners |
| IDC | MarketScape | IDC MarketScape: European Professional Services for Data-Driven Transportation 2022 Vendor Assessment |
| NelsonHall | NEAT | P&C Operations Transformation 2022 |
| Everest Group | PEAK Matrix | Intelligent Process Automation (IPA) – Solution Provider Landscape with PEAK Matrix® Assessment 2022 |
| IDC | MarketScape | IDC MarketScape: Worldwide Life Science Sales and Marketing IT Outsourcing Services 2022 Vendor Assessment |
| Everest Group | PEAK Matrix | Digital Product Engineering Services PEAK Matrix® Assessment 2022: Breaking the Chasm between the Physical and Digital Worlds |
| Everest Group | PEAK Matrix | Artificial Intelligence (AI) Services PEAK Matrix® Assessment 2022 |
| HFS | Top 10 | HFS Top 10: Insurance Services, 2022 |
| Everest Group | PEAK Matrix | Oracle Cloud Applications (OCA) Services PEAK Matrix® Assessment 2022 – Global |
| NelsonHall | NEAT | Quality Engineering 2022 |
| Everest Group | PEAK Matrix | Digital Interactive Experience (IX) Services PEAK Matrix® Assessment 2022 |
| Gartner | Magic Quadrant | Magic Quadrant for Outsourced Digital Workplace Services |
| Gartner | Magic Quadrant | Magic Quadrant for Global Retail Core Banking |
| NelsonHall | NEAT | Digital Banking 2022 |
| Gartner | Magic Quadrant | Magic Quadrant for Data and Analytics Service Providers |
| Everest Group | PEAK Matrix | Mortgage Operations PEAK Matrix® Assessment 2022 |
| HFS | Top 10 | HFS Top 10: Retail and CPG Services, 2022 |
| ISG | Lens | ISG Provider Lens™ Life Sciences Digital Services |
| ISG | Lens | ISG Provider Lens™ Healthcare Digital Services |
| ISG | Lens | ISG Provider Lens™ AWS - Ecosystem Partners |
| HFS | Top 10 | HFS OneOffice™ Services Top 10: Digital transformation in action |
| HFS | Top 10 | Utilities Services Top 10, 2022 |

| Firm | Report type | Title |
|---|---|---|
| **Q3** | | |
| Everest Group | PEAK Matrix | Enterprise Blockchain Services PEAK Matrix® Assessment 2022 |
| Everest Group | PEAK Matrix | Cloud Services PEAK Matrix® Assessment 2022 – Europe |
| Everest Group | PEAK Matrix | Cloud Services PEAK Matrix® Assessment 2022 – North America |
| Everest Group | PEAK Matrix | Digital Workplace Services PEAK Matrix® Assessment 2022 |
| HFS | Top 10 | HFS Top 10: Enterprise Blockchain Services, 2021 |
| Everest Group | PEAK Matrix | Advanced Analytics and Insights (AA&I) Services PEAK Matrix® Assessment 2022 |
| Everest Group | PEAK Matrix | Supply Chain Management (SCM) BPS – Service Provider Landscape with PEAK Matrix® Assessment 2022 |
| HFS | Top 10 | HFS OneOffice Services Top 10: People and Process Change |
| Everest Group | PEAK Matrix | Life and Pensions (L&P) Insurance BPS/TPA – Service Provider Landscape with PEAK Matrix® Assessment 2022 |
| NelsonHall | NEAT | Advanced Digital Workplace Services 2021 - NEAT |
| HFS | Top 10 | HFS Top 10: Life Sciences service providers, 2021 |
| HFS | Top 10 | HFS Top 10: Internet of Things (IoT) Service Providers 2021 |
| Everest Group | PEAK Matrix | Internet of Things (IoT) Supply Chain Solutions PEAK Matrix® Assessment 2022 |
| HFS | Top 10 | HFS Energy Services Top 10, 2021 |
| Zinnov | Zones | Zinnov Zones 2021 - Engineering R&D Services (Overall) |
| Zinnov | Zones | Zinnov Zones 2021 - IoT - Internet of Things Technology Services (Overall) |
| Everest Group | PEAK Matrix | Mainframe Services PEAK Matrix® Assessment 2022 |
| Everest Group | PEAK Matrix | Healthcare Analytics Services PEAK Matrix® Assessment 2022 |
| NelsonHall | NEAT | Life, Annuities & Pension: Operational Transformation 2021 |
| HFS | Top 10 | HFS Pega Service Providers Top 10 2021 |
| HFS | Top 10 | HFS OneOffice™ Services Top 10: Data and Decisions |
| IDC | MarketScape | IDC MarketScape: Worldwide Oil and Gas Upstream Asset Management Digital Services 2021 Vendor Assessment |
| Everest Group | PEAK Matrix | Enterprise Quality Assurance (QA) Services PEAK Matrix® Assessment 2022 |
| HFS | Top 10 | HFS OneOffice Services Top 10: Native Automation |
| Everest Group | PEAK Matrix | Banking Operations – Services PEAK Matrix® Assessment 2022 |
| IDC | MarketScape | IDC MarketScape: Worldwide Managed Multicloud Services 2021 Vendor Assessment |
| NelsonHall | NEAT | Digital Manufacturing Services 2021 |
| Everest Group | PEAK Matrix | Software-Defined Wide Area Network (SD-WAN) Services PEAK Matrix® Assessment 2021 |
| **Q2** | | |
| Everest Group | PEAK Matrix | Envisioning the Connected Future: 5G Engineering Services PEAK Matrix® Assessment 2021 |
| IDC | MarketScape | IDC MarketScape: Worldwide B2B Commerce Services for Industrial Manufacturing 2021 Vendor Assessment |

| Firm | Report type | Title |
|---|---|---|
| ISG | Lens | ISG Provider Lens™ Utilities Industry - Services and Solutions - |
| NelsonHall | NEAT | Wealth & Asset Management Services 2021 |
| Everest Group | PEAK Matrix | Finance and Accounting Outsourcing (FAO) – Service Provider Landscape with PEAK Matrix® Assessment 2021 |
| IDC | MarketScape | IDC MarketScape: Worldwide Life Science R&D ITO Services 2021 Vendor Assessment |
| IDC | MarketScape | IDC MarketScape: Worldwide Life Science R&D Strategic Consulting Services 2021 Vendor Assessment |
| Everest Group | PEAK Matrix | Procurement Outsourcing (PO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2021 |
| Everest Group | PEAK Matrix | Exploring the Future of Mobility: Autonomous, Connected, Electric, and Shared (ACES) Mobility Automotive Engineering Services PEAK Matrix® Assessment 2021 |
| IDC | MarketScape | IDC MarketScape: Worldwide Life Science R&D BPO Services 2021 Vendor Assessment |
| Avasant | RADAR | Avasant Higher Education Digital Services 2021–2022 RADARVIEW™ |
| IDC | MarketScape | IDC MarketScape: Worldwide Artificial Intelligence IT Services 2021 Vendor Assessment |
| IDC | MarketScape | IDC MarketScape: Asia/Pacific (Excluding Japan) Managed Cloud Services 2021 Vendor Assessment |
| Gartner | Magic Quadrant | Magic Quadrant for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Global |

| Firm | Report type | Title |
|---|---|---|
| NelsonHall | NEAT | Procurement Transformation 2021 |
| Everest Group | PEAK Matrix | Network Transformation and Managed Services PEAK Matrix® Assessment 2021 |
| Forrester | Wave | The Forrester Wave™: Application Modernization And Migration Services, Q3 2021 |
| Forrester | Wave | The Forrester Wave™: Continuous Automation And Testing Services, Q3 2021 |
| Everest Group | PEAK Matrix | Capital Markets Operations – Services PEAK Matrix® Assessment 2021 |
| Everest Group | PEAK Matrix | Data and Analytics (D&A) Services PEAK Matrix® Assessment 2021 |
| IDC | MarketScape | IDC MarketScape: European Smart Manufacturing Service Providers 2021 Vendor Assessment |
| HFS | Top 10 | Banking and Financial Services – The Best of the Best Service Providers 2021 |
| **Q1** | | |
| Everest Group | PEAK Matrix | Application and Digital Services in Banking PEAK Matrix® Assessment 2021: Global and Europe Focus |
| Everest Group | PEAK Matrix | Application Transformation Services PEAK Matrix® Assessment 2021 |
| Everest Group | PEAK Matrix | Life Sciences Operations – Services PEAK Matrix® Assessment 2021 |
| HFS | Top 10 | HFS Top 10 Supply Chain Service Providers |
| Gartner | Magic Quadrant | Magic Quadrant for SAP S/4HANA Application Services, Worldwide |
| IDC | MarketScape | IDC MarketScape: Asia/Pacific Cloud Security Services 2021 Vendor Assessment Study |

| Firm | Report type | Title |
|---|---|---|
| IDC | MarketScape | IDC MarketScape: Worldwide Artificial Intelligence Business Services 2021 Vendor Assessment |
| Everest Group | PEAK Matrix | IT Managed Security Services PEAK Matrix® Assessment 2021 |
| NelsonHall | NEAT | CX Services in BFSI 2021 |
| IDC | MarketScape | IDC MarketScape: Worldwide Smart Manufacturing Service Providers 2021 Vendor Assessment |
| Chartis | Market Quadrants | GRC Solutions: RiskTech Quadrant® for conduct and control solutions, 2021 |
| Chartis | Market Quadrants | GRC Solutions: RiskTech Quadrant® for GRC analytics, 2021 |
| Chartis | Market Quadrants | GRC Solutions: RiskTech Quadrant® for MRM solutions, 2021 |
| IDC | MarketScape | IDC MarketScape: Worldwide Artificial Intelligence Services 2021 Vendor Assessment |
| IDC | MarketScape | IDC MarketScape. Asia/Pacific Intelligent Automation Services 2021 Vendor Assessment |
| Everest Group | PEAK Matrix | S/4HANA Services PEAK Matrix® Assessment 2021 |
| NelsonHall | NEAT | Cognitive & Self-Healing IT Infrastructure Management Services 2021 |
| HFS | Top 10 | HFS TMT (Telecom, Media, and Technology) Service Providers Top 10 2021 |

**PARTNER**

- Won over **30** awards from technology alliance partners:
  - 2020 **Google Cloud Breakthrough Partner of the Year** for demonstrating innovative thinking, outstanding customer service, and best-in-class use of Google Cloud products and solutions.
  - Two 2021 **Microsoft Partner of the Year** Awards – Azure Intelligent Cloud in France and Dynamics 365 Field Service in the US, for demonstrating excellence in innovation and providing outstanding solutions and services based on Microsoft technology.
  - Named to the **Microsoft Business Applications 2021/2022 Inner Circle**, for the high standard of excellence in building innovative solutions that help customers achieve their growth and transformation objectives.
  - **Application Transformation and Migration Partner of the Year** at the **AWS Partner Awards** in Australia and New Zealand.
  - **Consulting Winner** along with customer Stellantis (formerly Fiat Chrysler Automobiles) for Marketing Cloud at **Salesforce Partner Innovation Awards 2021**.
  - Solutions implemented by TCS for SAIL and Trent won the **SAP ACE Awards 2021** in the **Manufacturing Transformation** and **Game Changer** categories respectively.
  - Won **SAP EMEA North Award** for **Service Partner Excellence 2022** for **Integrated Delivery Experience**.
  - **Automation 360 Cloud Partner** from Automation Anywhere in India, Middle East & Africa.
  - Won **Automation Anywhere Partner of the Year 2022** awards in the categories **Migration Partner - India**, **Knowledge Partner - India and Americas** and **AARI Solutions Partner - EMEA** at the company's annual Virtual Partner Summit.
  - **LATAM 2021 Partner of the Year** in the Product Sales Leadership category from **Automation Anywhere**.

- Recognized as the **2022 Americas Premier Partner of the Year** by **MuleSoft.**
- **Top Performing - GSI Partner** and **Game Changer - Enterprise Business category** in India and South Asia at the Red Hat Partner Awards.
- **Global Partner of the Year 2020** for Integration and API from **Software AG**.
- **Intel Partner of the Year 2021.**
- **HPE GreenLake Ecosystem Partner of the Year 2021**.
- **Creatio Partner of the Year FY2021 Award of Excellence**.
- **Zscaler's Global Solutions Integrator Partner of the Year 2021**.
- **MongoDB Global System Integrator Partner of the Year** Award for its bold, innovative solutions that accelerate the growth and transformation journeys for businesses across industries.
- **Cohesity GSI Innovation Partner of the Year** FY21, for accelerating innovation and increasing the ease of doing business.
- **Celonis BPO Partner of the Year** at the Celonis Ecosystem Summit 2021.
- **IFS Solutions Partner of the Year** and **IFS Services Partner of the Year (Enterprise Category)** at the 2021 IFS Partner of the Year Awards.
- **BMC Partner of the Year Award – Cognitive Automation** at the BMC Service Provider eXchange (SPeX).
- **2021 Partner of The Year Award** by **Smart Message.**
- **Strong Growth – Identity and Access Management Partner of the Year 2021** by **CyberRes**, a Micro Focus line of business.
- Named the **Ivalua APAC Partner of the Year 2021**.
- Named **International Partner of the Year 2021** by **Ping Identity**.
- Recognized as **GSI Partner of the Year 2021** by **GoTo Partner Network**.
- Named **Qlik's North America System Integrator of the Year**.
- **System Integrator Partner Innovation award** from Qlik.

## Social Capital

- Won the **World Leadership Congress Award** for world-class operations at the All-Women Business Process Services and IT Center in Riyadh, Saudi Arabia.
- Won the **Best Indian Investment Award** from the **Indo-French Chamber of Commerce & Industry** for TCS' commitment to the French economy through sustained long-term investments in talent development, innovation, and regional growth.
- TCS' Assisto, an innovative solution developed by TCS Rapid Labs, was awarded **Social Impact Solution of the Year** at the NASSCOM Engineering R&D Awards, 2021 for the use of the cognitive speech algorithms that generate speech output in the tone, mother tongue and near-real sound of the child using it.
- Named in Points of Light's **Civic 50** List for the Fifth Consecutive Year for TCS' commitment to drive social impact of its community engagement programs.
- TCS Bringing Life to Things ™ IoT Lab awarded **CMO Corporate Social Responsibility Award** at CMO Vision and Innovation Awards 2021.

# Corporate Social Responsibility



## Overview

TCS' vision is to empower people and communities to build self-reliance through technology while promoting the values of fairness, equity and respect for human rights. Its mission is to connect people to opportunities in the digital economy while building equitable, inclusive pathways for all – especially women, youth, and marginalized groups.

TCS has been a signatory to the UN Global Compact (UNGC) since 2006 and is aligned with its ten principles. The Company supports the principles contained in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights. These principles guide TCS' community initiatives.

The company continues to invest in addressing the most pressing needs of the community, focusing on education, skilling, employability, and digital entrepreneurship with a focus on bridging the opportunity gap for people and communities. It invests in health and wellness, water sanitation and hygiene, conservation, and disaster relief efforts to support the basic needs of communities.

Through its unique engagement model, TCS leverages its intellectual capability, technology expertise, large employee base volunteering their time and skills and of course financial capacity to invest in programs that deliver longer term social impact across the globe.

Its programs are holistic and comprehensive, and designed to be flexible and adaptable, meeting the specific needs of communities and regions around the world. To build capacity of grassroots organizations working in local communities, TCS also invests in strategic partnerships, research, and insights by providing pro-bono technology consulting. This model of engagement allows TCS to empower communities, create generational improvements and build greater futures.

In FY 2022, TCS estimates that its global community initiatives reached more than **1.7 million** beneficiaries, made possible by over **58,900** employees contributing over **700,000** hours of their volunteering time to support local community initiatives.

## Mapping of TCS' CSR Programs with SDG Goals



## Adult Literacy Program - Creating access to literacy on a path to livelihoods

Despite years of investments, illiteracy continues to be a core impediment stopping individuals from realizing their potential. TCS' Adult Literacy Program, through its digital literacy solution has been addressing this over the past 2 decades in India and West Africa. Women have been a key target group, with the program offering them a path to financial independence and an opportunity to be role models for their children, especially girls, in their families. Till date, over **1.08 million** learners, over **80%** of them women, have benefited from this program. The program runs in over 162 districts across 20 states and union territories across India, and also in Burkina Faso, West Africa.

TCS has further expanded the scope of this program in response to India's new National Education Policy, which emphasizes the need for digital literacy, financial, legal, and electoral literacy, disaster management and environmental literacy in addition to functional literacy, to empower communities. New modules on the platform include financial literacy skills (8-10 hours), digital literacy skills (5-7 hours), citizen entitlement awareness (3-4 hours) and disaster risk reduction awareness (8-10 hours).

In FY 2022, over **7,400** learners gained basic literacy skills.

The impact of this program has been transformational and transgenerational. It is promoting social inclusion, financial stability and economic growth, empowering neo-literates with better access to the financial system, government benefit programs and a greater say in family and community decision-making.

**Program outcomes include:**

- **81%** of the learners have encouraged their own children especially girls to go to school.
- **75%** learners expressed that their self-esteem has increased because of this program.
- **67%** learners feel that they have started participating more in the decision-making process in their family.

## Ignite My Future (IMF) - empowering educators and creating skills of the future

As technology change accelerates, the workforce of tomorrow requires new age skills and capabilities to be productive. Computational thinking is one such futuristic skill that not only provides learners with a problem-solving mindset, but also enables access to high skilled jobs, enabling communities to benefit from the adoption of new technologies. However, there has been limited integration of this skill within classrooms across the globe. Educators that play a key role in creating access are themselves



'Sampa' stands out for her perseverance and dedication, and for showing that self-will and determination triumphs against all odds. When she first approached one of TCS' partner organizations working with individuals with developmental disabilities, she was in her mid-twenties, illiterate and suffering from disorganized thoughts, preoccupation, aggressive behavior and a shattered sense of self.

Introduced to TCS's digital literacy solution ALP, she gradually started taking interest in learning, drawn by the colourful and attractive content. She was seen observing the letters and numbers on her own, and slowly started comprehending them. She took everyone by surprise when the National Institute of Open Schooling results were announced, and she got an A grade.

It took 5 long years to bring her back to a life of self-dignity. Sampa now works in a café run by the partner organization, and is able to handle the finances of the café business and contribute meaningfully.

not empowered to embed this within the learning curriculum.

TCS' **IMF**, implemented **in North America, UK, India, Latin America** and **APAC**, has created global access for educators and students to hone this skill set. Equity and inclusion are integrated in the program design, to specifically enable access for underserved students from marginalized communities.

Scenario-based lesson plans, teacher training and resources, immersive and interactive engagements for families as well as a year-round network of support for educators through the Learning Leaders Program ensures that the program addresses the critical needs of every stakeholder in the learning journey - creating long-term integration of a highly valued skill set. To meet virtual and hybrid learning demands, all aspects of the program were restructured for online delivery, remaining inclusive of communities with varying digital access and tools.

IMF launched its largest Global Innovations Teacher Project to-date with 24 teachers from 5 countries reaching over 500 students. Over 100 TCS employee volunteers supported the 6-week project.

In FY 2022, the program empowered nearly **435,000** students and educators.

**Program outcomes include:**

- **81% educators** were ready to use resources in their classroom post-training.
- **90% educators** reported they have returned to in-person instruction.
- **$10K+ average** savings to each district and educator from free training.

### goIT (go Innovate Together) – Digital Innovation Program for Students

The jobs of tomorrow are changing rapidly. Economies around the world are dealing with the disparity between the needs of employers and the skills that youth possess. According to the National Science Foundation, it is predicted that 80% of the jobs created in the next decade will require some form of math and science skills. The lack of sufficient numbers of students pursuing these streams, and insufficient focus on innovation, problem-solving and creativity in school curricula, are seen as big challenges to the digital economy.



Anne LeBlanc is a middle school teacher at Halifax Regional in Nova Scotia, Canada. Anne uses Ignite My Future resources to make computational thinking come to life for her students, in all core subjects. She and her students have participated in two IMF Global Collaborations through which she has had the opportunity to collaborate with teachers from around the world.

Through this project, that relies on students' using computational thinking to solve a global problem, Anne has found that her classroom gets bigger and the world gets smaller for her students. This project has also been beneficial to one of her French speaking students as he is able to translate his videos and other students' videos allowing collaboration to happen even across language barriers.

*"My students have found that through connecting with other students outside of their community they are more alike, than they are different."* Anne supports and collaborates with like-minded educators though IMF global network of Learning Leaders.

TCS' flagship digital innovation and career readiness program, **goIT** (go Innovate Together), prepares students with the skills and mindsets to pursue careers of the future. Through engaging design workshops and custom mentorship experiences, goIT benefits students by challenging stereotypes and inspiring future leaders to pursue the careers of tomorrow, most of which will involve STEM and the computer sciences.

goIT uses a four-pronged model of (1) volunteer driven engagements, in-person or virtually, (2) seamless year-round connects via goIT Online, (3) SDG-focused monthly challenges and (4) Custom mentorship experiences designed to introduce student local experts and opportunities. Each prong, layered with partnerships with school districts and mentoring by industry professionals from TCS, makes goIT a unique program that helps students develop core skills that enable them to be productive in the jobs of tomorrow.

After over a decade of success and a footprint of 40 countries, goIT has now benefited over **100,000** students who have designed more than **26,000** tech-for-good digital innovation prototypes.

In FY 2022, more than **30,000** students and educators benefited from this program.

**Program outcomes include:**

- **87%** students felt they could be computer scientists after their goIT experience.
- **96%** students reported that they gained positive insights from their TCS volunteer mentor.
- **80%** showed an increased interest in STEM and Computer Science.
- **88%** students demonstrated an understanding of how technology can be used to improve their community.



Four learners from Sinenjongo High School in Cape Town, celebrated their win in the goIT Tech-savvy Challenge, hosted by TCS in partnership with Steam education specialist Sakhikamva Foundation.

The event saw more than 455 participants from nine high schools across the Western and Eastern Cape battle it out with their ideas for a winning app that could change their local communities. Eventually, learners from Sinenjongo High and Goodwood College took the top three positions.

The founder of Sakhikamva Foundation, Fatima Jakoet said the foundation was impressed by all the participants of the competition but inspired by learners from Cape Town who worked hard to win the tech challenge.

*"What we have seen in this year's South African goIT Challenge is young people expressing their ability to be problem-solvers who can contribute to a better world,"* said Jaconet.

Speaking about her team's app idea, WO-MEN, Sinenjongo High School learner Lilitha Masizana said: *"We are so happy and excited to have won, and as a team we stand by what our app was designed to do – to promote gender equality and the acceptance of gender diversity, which includes a conversation platform to highlight the impacts of gender inequality."*

## Youth Employment Program - connecting India's rural youth to careers in digital economy

TCS' Youth Employment Program (YEP) focuses on one of the biggest challenges in India, which is unemployment, underemployment, and lack of access to high paying jobs among youth. It is estimated that 7 million people are annually added to the workforce, but the education and skills profile of the existing workforce is very poor - especially in rural and semi-urban locations. The pandemic has created an even bigger need to integrate digital and technology related skills within the learning experience to ensure that youth can avail of the jobs that are available in the market.

YEP connects India's youth to careers in the digital economy through the development of competencies in numerical ability, logical reasoning, communication, programming and domain skills. The program also provides career guidance and interview skills to help youth navigate through opportunities available in the market. Over the last two years, the program has gone virtual. The program has:

- Enhanced employability of rural underprivileged youth from socially, economically and geographically disadvantaged communities.
- Provided youth, especially those from historically marginalized and low-income families, with industry-specific experiential learning that improves exposure to the kind of skills and competencies required to make them a highly viable industry resource.
- Ensured continuous availability of highly skilled and cross-functional talent pool for the industry.
- Increased diversity and gender parity within the workforce while creating inclusion and access for marginalized groups across the country.
- Promoted sustained and inclusive economic growth, full and productive employment and decent work.

In FY 2022, more than **19,700** students were trained in India and LATAM, of whom more than **7,400** students gained employment in sectors such as IT and ITeS, Retail, Banking and others. Today, the program runs in 35 States & Union territories across India.



Biki Minj is a young woman who had never seen her father's face. She was brought up by her widowed mother, a tea garden labourer in Darjeeling and a worker in the children's hostel. Biki began picking up English at the age of two, when she and her mother moved into the children's hostel. At Biki's own school, only the local language was used during instruction.

Biki had dreams of attending college after she graduated from high school, but the family could not afford it. Instead, she took up a hospitality management course and joined an airline as ground staff in Kolkata. Unfortunately, the airline went out of business, forcing Biki to look for other work. She ended up in a small town in the Uttar Dinajpur district of West Bengal teaching English in a school for four years.

During that period, she continued her BA studies in IGNOU through distance learning and became a Graduate in English. On a trip to Siliguri, Biki learned about TCS' Youth Employment Program that was about to be launched in the city. She enrolled herself for the training and travelled 30 km every day from her grandmother's house to reach the training centre. Biki worked tirelessly, learning as much as she could during the program and earning recognition from her instructors. Her efforts paid off when she was offered a full-time position at TCS during a recruitment drive in Siliguri.

Since she joined TCS, Biki has been able to experience a freedom she never thought possible. Earning a regular salary allowed her to begin saving money to build a house for herself and her mother, a house that will one day be testimony to a life of independence and self-respect.

**Program outcomes include:**

- **4X** enhancement in income for individuals from marginalized communities in comparison to elementary occupations.
- **80%** indicated that better jobs led to a change of role as earning member.
- **74%** indicated an enhancement of status in the family and community.

## Entrepreneurship and Self-Employment

India has **30% youth unemployment** (15-29 years) compared to a 15% global average, and 325 million Indians are from historically disadvantaged and marginalized communities. Lack of proper technology infrastructure, knowledge and resources in villages have prevented communities from accessing opportunities presented by the digital economy.

Since 2014, the TCS' **BridgeIT** program has addressed social inequalities by empowering marginalized youth to become rural entrepreneurs and civic leaders in their villages. Partnering with local NGOs, TCS engages the cohort through a 5-year period, offering them skills, mentoring, technology, tools and resources. These digital entrepreneurs become serve as the last-mile-connect for people in the villages, delivering essential digital services in the areas of education, adult literacy, unemployment, social discrimination. This facilitates a 'bridging' of access and opportunities between youth in rural, underserved areas and those in urban towns. Through this strategic approach, the program has:

- Upskilled young men and women from marginalized communities to be successful digital entrepreneurs.



Twenty-seven-year-old entrepreneur Bapi Raita is a member of the Saura tribe which has some of the most severe problems with obtaining adequate nutrition in India. Starvation deaths are common among the Saura. Despite earning a diploma in Civil Engineering, Bapi was forced to do odd jobs to make ends meet for his family.

Bapi married, moving to Bangalore with his wife and working in a garment factory for nearly a year. When his wife fell ill, Bapi was had no choice but to return to his village to help manage her care. Still needing to earn money to support his family, Bapi learned about BridgeIT from a local NGO in Odisha and registered for the training. Over the course of the program, Bapi learned how to do business in the digital space with the training and mentoring provided by the BridgeIT facilitators, an opportunity which would have never been possible.

On completion of BridgeIT, and with equipment donated by TCS, Bapi was able to start his own online business. As his business began growing, so did his earnings. Bapi is now earning nearly ₹ 1.30 lakhs from just ₹ 4,000 before completing BridgeIT.

Bapi also wears BridgeIT Cluster Lead's hat for the area where he operates in. With this comes the responsibility to mentor seven other digital entrepreneurs from nearby villages. He gets a great sense of fulfilment when he carries out his role as a Leader.

Bapi proudly says, *"BridgeIT has changed my life and has brought hope of a good future for me and my family. It has brought brightness to our lives and our community."*

- Empowered them with digital technologies – facilitating a platform for essential online services within rural areas.
- Enabled them to educate students in Government schools and support literacy for adults through digital tools and resources.

Currently running in 30 districts across India, TCS' vision is to expand this program to all of India's aspirational districts. In FY 2022, BridgeIT has enabled **321** entrepreneurs across 20 districts in 9 States.

**Program outcomes include:**

- **1.5X** earnings compared to other self-employed individuals in rural areas.
- **95%** indicated increased income and improved standard of living.
- **92%** women indicated higher self-esteem at home.

**Digital Impact Square (DISQ),** a TCS Foundation Initiative, is an open social innovation platform designed to enhance the lives of citizens. The platform encourages innovation using digital technologies, to address the needs of citizens by inviting individuals or teams who want to bring in a change and create an impact in society through digital innovations.

DISQ has nurtured over **55** changemakers from around 590 innovators since 2016.

The program has received high appreciation from stakeholders in the government and social organization such as Social Alpha, Tata Trusts and Unltd India. There has been immense interest from various parts of the country in replicating the DISQ model. DISQ collaborated partners to identify potential opportunities for students.

Ekatvam Innovations Program outcomes the 'Most Promising Solution' globally by a panel of water experts from Ramboll, Grundfos and the International Water Association in a global competition. They were awarded scholarships to participate in the International Water Congress 2022 in Copenhagen.

Overall, the program has supported 12 solutions in reaching self-sufficiency.

## Thought Leadership, Research and Insights

### Digital Empowers

Digital Empowers, TCS' global thought leadership program in CSR, explores the intersection of technology and social impact, spotlighting the crucial role technology plays in finding solutions for intractable social issues. The purpose of the program is to raise awareness of digital technologies and social issues, explore the art of what's possible, and foster cross sector partnerships.

The program focuses on convening experts from technology, business, non-profit, public policy, and academia to ideate, collaborate, and create digitally driven solutions to social impact challenges. Since the inception of the program in 2018, Digital Empowers has engaged with over 6,000 experts across India, South Africa, the UK, and Mexico to expand collective knowledge and collaborate to come up with new solutions to the most pressing community issues, with the potential to scale and be applicable throughout the world.



TCS runs the Pitch for Purpose, a competition for start-up social entrepreneurs, to showcase mission-driven founders across the world whose fledging businesses are solving issues by deploying emerging technology and cutting-edge innovation. The competition grew in 2021, with over 200 entrepreneurs applying, and eight finalists pitching to a live panel of expert judges. Elliot Roth, Founder of Spira Inc., won the first-place prize with his innovative solution that creates carbon negative materials from genetically engineered algae.

In August 2021, Digital Empowers, in partnership with the U.S. Chamber of Commerce Foundation, published a culminating report, Technology as a Catalyst for Empowering Communities. With nine different topics examined, the report captured the unique insights, best practices, and key learnings from dozens of experts across sectors and industries that are actively driving social change using digital tools and technologies.




https://www.tcs.com/corporate-social-responsibility/digital-empowers/catalyst-report'

## Health and Wellness

Healthy communities can drive better economic development and a feeling of wellbeing. TCS recognizes the importance of health and wellness, and promotes it among its employees as well as in local communities across the world. Its CSR initiatives seek to create new, systemic solutions that address society's biggest health challenges.

TCS has provided an integrated Hospital Management System and IT infrastructure, which includes a comprehensive and fully integrated, web-based solution, to **The Cancer Institute (CI), Chennai** and **Tata Medical Center (TMC), Kolkata**. As a result of laboratory equipment integration, a larger number of patients have benefited, with the solution providing 100% coverage of patients via virtual engagements, including those that did not show up or were not reachable. Patient care services implemented this year improved patient satisfaction and reduced anxiety.

A 15-bed COVID-19 care facility was setup and made operational at the Cancer Institute during the second COVID wave to facilitate care for COVID-affected patients. Patient Care Coordinators (PCCs) at TMC Kolkata continued to support patients by managing virtual-consultation processes, pediatric OPD appointments, patient crowd management and new patient management. Patients Investigation Reports were made available on the TMC website for online viewing directly by patients, without the need for physically visiting the hospital to collect reports.

## Water Sanitation and Hygiene

**Jal Jeevan Mission**, a project by the Ministry of Jal Shakti, Government of India, has been supported by the Tata Group, with TCS providing key expertise in applying a 'Bridgital model' for monitoring rural water service delivery as well as enhanced stakeholder engagement via digitally enabled workflows.

To address several issues in rural water supply, TCS created an IoT-based smart water management solution for remote monitoring and control. This innovative solution is end-to-end, from source to tap, feature rich, uses advanced analytics and has high fidelity with over 99.9% uptime and accuracy. It can work in poor cellular network coverage areas (particularly in remote and rural villages) and is powered by solar power, best suited for off-grid environments.

This solution has so far helped provide regular, adequate, and clean drinking water to nearly **75,000** beneficiaries across 14 villages spread across 8 states and union territories in India.

It has helped identify distribution issues – such as outages, leakages or low pressure, and led to timely resolutions. It recently alerted both officials and the

local community of fast depleting groundwater levels, that led the villagers to build a source strengthening structure to recharge their borewell.

With TCS' IoT-based smart water management solutions, communities are able to:

- Ensure equitable and adequate water quantity, quality and periodicity.
- Reduce water borne diseases through water quality monitoring.
- Improve lives of rural households, especially women and girls.

## Pro-Bono Technology Support to Social Organisations

As part of TCS' pro-bono technology support interventions or Tech4Good Programme, TCS continues to help community-based organizations and non-profits seeking to create social and environmental impact across the globe. TCS has been leveraging its abundant technology and Intellectual capital to create exponential impact across the globe by delivering pro-bono digital services to social organizations. The company's engagement strategy utilizes its contextual knowledge and the knowledge from a diverse network of experts to develop innovative solutions to unique problems within the community.

- The Resume Builder, an application created by TCS' Social Innovation Lab in close collaboration with TCS Research and Innovation group, helps participants of the Youth Employment Program generate standardized resumes, setting them up for success in the job market. The application has been piloted with over 3,000 YEP participants and slated to be expand further in the future.
- In Australia, TCS provided pro bono technology empowerment to Meals on Wheels NSW, Food Ladder, Charitable Recycling Australia, The Indigenous Marathon Foundation and Briometrix so they could continue to support people who depended on their services even during in the pandemic.

  *"Since TCS helped us develop the calculator, we have been able to reach greater audiences both through our website and networks and also through our members,"* said Omer Soker, CEO, Charitable Recycling Australia.
- In Italy during the peak of the pandemic, TCS supported San Martino, a social enterprise focused in helping non-nationals living in Italy start their careers to create a fair ground for employment. TCS designed, developed and implemented a digital solution so they can continue to help people from all backgroundsacross Italy kickstart their careers.

  *"Thanks to the great support of TCS experts, San Martino was able to design and implement a Career Guidance section on their website specifically designed for international students,"* explained Mario Porcelli, Managing Director for San Martino Servizi.
- In North America, TCS continues to build pro-bono digital solutions for organizations like The Council for Responsible Sport, International Medical Corps and so on. The Council for Responsible Sport helps sporting organizers assess the Environmental, Social, and Governance impact of events and has been helping organizers of i.e., the Bank of America Chicago Marathon to track their resource usage and impact for years.
- TCS' 2,000-hour pro bono commitment to the 'Re-Score project' helped envision the Council's drive to create a digital solution, leveraging cloud-based technology that would serve as a first-of-its-kind in the field. Re-Score makes credible guidance and performance tracking accessible to all organizations that host sporting events.
- For International Medical Corps, a global, non-profit, humanitarian aid organization spread across 30 countries in Africa, Asia and

Middle East with a focus on providing health services support, clean water and hygiene education, women's and children's health and emergency response and preparedness, TCS helped reimagine their vendor prequalification system and digitized the processes for improved efficiency and operational resilience.

## Employee Engagement

TCS' skill-based CSR initiatives offer volunteering opportunities to employees, helping them give back to the communities, imbuing them with a higher sense of purpose. Our people-centric investments go beyond the boundaries of our organization, into communities across the world, where we support initiatives to bridge the digital divide, and address some of the most pressing issues in countries where we live and work.

TCS' Employee Volunteer Program (EVP) offers opportunities to employees for contributing their time and effort towards societal well-being, while sensitizing them to the issues that are plaguing the world. Volunteering fosters a sense of fraternity, bringing employees together and engaging them in ways beyond work.

During the devastating second wave of COVID-19 in India, EVP team has worked with various internal TCS teams such as Safety First, Cares to create the content for several community support initiatives. The content was then used to create awareness



Praveen Kumar a TD faculty from MBU, started volunteering for goIT program with training workshops for around 400 students from a nearby school in Kanchipuram. During sessions on problem-solving and design thinking, he interacted with students and was amused by how they related to the concepts in their own unique ways. He says seeing students view the process of learning as a game transported him back to his school days. He also believes that being around students can help one forget about their sorrows, anxieties, and stresses, hence boosting one's energy and spreading positivity. His journey continues to shape many more subsequent generation's students, preparing them for 21st-century skills. He has also been an active faculty member for weekly YEP workshops, conducted several business communication sessions for YEP colleges in Tamil Nadu. He urges other volunteers to deliver the courses with enthusiasm, provide examples and share real-world references to enable students to relate to concepts and apply their learnings in everyday activities.



Chai Eng Law an HR Specialist has been an active YEP volunteer for over six years. Once her session was scheduled over a weekend, yet the students seemed incredibly happy to be at the college. As she watched their faces filled with enthusiasm, she knew volunteering for this program would be worth her time and effort, which later turned out to be 100% true. She says, *"I strongly believe that in learning, you will teach, and in teaching, you will learn. YEP, gives me the opportunity to practice this belief of mine."* Her weekends would pass by in a blink of an eye, and the benefits from this program far outweighed the inconveniences she faced. She felt overwhelmed when she saw her students gradually overcome their hesitation to converse in English and eventually became more confident in spoken English. She recalls, one day as she was about to enter the lift in her office building, she spotted a young associate stepping out of the lift. Her joy knew no bounds when she recognized this person as a YEP trainee who had appeared at a mock interview conducted by her.

on the importance of vaccination to curb vaccine hesitancy, facilitating mental health awareness sessions for beneficiaries of the CSR initiatives and the community at large. EVP team has owned and managed this entire process by liaising with internal CSR teams and external TCS functions.

More than **58,900** TCS associates volunteered nearly **700,000** hours towards various programs in FY 2022 aligned to Sustainable Development Goals 3, 4, 5, 8, 10, and 13.

**Program outcomes include:**

- Through Pro Engage, TCSers from 13 countries and 8 regions supported 204 pro bono projects, contributing 14,000+ hours to NGOs in India, NA, and LATAM.
- IMF kicked off a Global Teacher Collaboration with 29 teachers from 5 countries, engaging 100+ volunteers from NA and LATAM over 6 weeks.
- Celebrated the 7th annual Sadhana Month, through which over 16,000+ volunteers from India, NA, and LATAM donated 215,000 hours of service in their local communities.
- Leaders with Purpose, a civic leadership program designed to nurture and prepare TCS leaders with the skill to lead societal change, which was successfully running in North America for the last 3 years, was launched in India, UK&I and LATAM. The program harnesses the leadership, communication, and project management skills needed to create a sustained commitment to social impact within our industry and communities.

## Empowering Communities in the Fight Against COVID 19

Initiatives to help communities deal with the pandemic, launched in the prior year along with TATA Group companies continued in FY 2022. With the support of TCSers across the globe, the company continued to help those that needed it the most. Key highlights:

- TCS donated 1,170 oxygen concentrators and 252 ventilators across 15 states in India and mobilized thousands of employees, customers and partners to support our COVID response
- Dependents of those who lost their lives to the pandemic were enrolled in TCS' Youth Employment Program, where they were trained and groomed to improve their employability. New livelihood avenues were made available for 1,600 COVID-affected families.
- TCS' BridgeIT entrepreneurs supported their local communities, helping out with vaccine registration, accessing online COVID reports and online government initiatives.
- TCS volunteers helped cascade awareness materials around infection prevention and vaccination in remote communities, sourced from authentic sources such as the Government of India, MoHFW and WHO.
- The TCS Cares program organized sessions to provide mental health support.
- Basic provisions such as rice, cooking oil, sugar, canned food were provided to underprivileged, poor and disabled families.
- With all schooling going virtual, TCS donated laptops and mobile broadband connections to students from low-income families, and volunteers held conducted sessions on internet literacy.

# Business Responsibility & Sustainability Report



## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity[1]

1. **Corporate Identity Number (CIN) of the Listed Entity:** L22210MH1995PLC084781
2. **Name of the Listed Entity:** Tata Consultancy Services Limited
3. **Year of incorporation:** 1995
4. **Registered office address:** 9th Floor, Nirmal Building, Nariman Point, Mumbai - 400 021, India
5. **Corporate address:** TCS House, Raveline Street, Fort, Mumbai 400 001, India.
6. **E-mail:** corporate.sustainability@tcs.com
7. **Telephone:** +91 22 6778 9595
8. **Website:** www.tcs.com
9. **Financial year for which reporting is being done:** Financial year 2021-22 (April 1, 2021 to March 31, 2022)
10. **Name of the Stock Exchange(s) where shares are listed:** NSE (National Stock Exchange of India Limited) and BSE (formerly Bombay Stock Exchange)
11. **Paid-up Capital:** ₹ 366 crores
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**

    Name: Milind Lakkad

    Designation: Chief Human Resources Officer

    Telephone number: +91 22 6778 9999

    E-mail id: corporate.sustainability@tcs.com

[1] GRI 2-1, GRI 2-3

13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).[2]**

| Data | Basis | Exclusions |
|---|---|---|
| Financial | TCS' consolidated global operations | None |
| Human Resources | TCS' global operations, including wholly owned subsidiaries. | < 0.2% of the consolidated headcount. |
| | Disclosures pertaining to employee benefits, performance appraisals and statutory topics are specific to the workforce based in India. | Workforce outside India |
| Environmental | TCS' Global operations (using operational control approach). | Other TCS' operations accounting for < 4% headcount |

The data measurement techniques used, and the basis of calculations and estimates have been mentioned in the relevant areas of this report. TCS does not believe there is any substantial divergence from the GRI Indicator Protocols. The scope, boundaries, and methodology for data analysis in this document remain the same as in the prior year and are mentioned above. There has been no restatement[3] of information or changes in the material topics or boundaries since the prior year. The data is sourced from Ultimatix, TCS' core enterprise platform. Other supporting data is reviewed by relevant third-party assurers as part of ISO and financial audit.

GRI Assurance[4]: Ernst & Young has assured the data presented under GRI Standards disclosures as specified in their Assurance Statement. The scope and basis of assurance have been described in their assurance letter. The Board was not involved in seeking this assurance.

## II. Products/services[5]

14. **Details of business activities (accounting for 90% of the turnover):**

TCS provides IT services, consulting and business solutions to many of the world's largest businesses in their transformational journeys. Further details are provided in the Management Discussion and Analysis section of this Integrated Annual Report.

15. **Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

Application Development and Maintenance, Consulting and Service Integration, Digital Transformation Services, Cognitive Business Operations and Products and Platforms.

Some of the services broadly map to NIC classes 6201, 6202, 6209 and 6311.

[2] GRI 2-2
[3] GRI 2-4
[4] GRI 2-5
[5] GRI 2-6

## III. Operations[6]

16. **Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of plants | Number of offices (Delivery offices) | Total |
|---|---|---|---|
| National | NA | Delivery centers – 113, Offices - 9 | 122 |
| International | NA | Delivery centers – 71, Offices - 107 | 178 |

17. **Markets served by the entity:**

a. **Number of locations**

| Locations | Number |
|---|---|
| National (No. of States) | 28 States and 8 Union Territories |
| International (No. of Countries) | 54 |

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

The contribution of exports as a percentage of total turnover of TCS Standalone is 94.0%.

c. **A brief on types of customers**

TCS works with leading corporations across the world - typically Fortune 1000 or Global 2000 corporations and the public sector. In India, TCS works with departments of the Government of India, various state governments, systemically important entities and the private sector.

[6] GRI 2-6

## IV. Employees

18. **Details as at the end of Financial Year:** FY 2021-22

a. **Employees (including differently abled)[7]:**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| 1. | Permanent (D) | 590,662 | 379,942 | 64.3 | 210,720 | 35.7 |
| 2. | Other than Permanent (E) | 17,609 | 9,924 | 56.4 | 7,685 | 43.6 |
| 3. | **Total employees (D + E)** | **608,271** | **389,866** | **64.1** | **218,405** | **35.9** |

Note:

- TCS' global headcount excludes employees of non-wholly owned subsidiaries.
- All of TCS' workforce is categorized as 'Employees' and none as 'Workers'. Hence in all the sections, details sought of the 'Workers' category are Not Applicable to TCS.
- Other than Permanent category includes contractors and interns.

b. **Differently abled Employees:**

| S. No | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **DIFFERENTLY ABLED EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 921 | 706 | 76.7 | 215 | 23.3 |
| 2. | Other than Permanent (E) | 11 | 8 | 72.7 | 3 | 27.3 |
| 3. | **Total differently abled employees (D + E)** | **932** | **714** | **76.6** | **218** | **23.4** |

**Note:**

- Differently abled type includes Hearing, Visual, Locomotor, Orthopedic and Others

[7] GRI 2-7

19. **Participation/Inclusion/Representation of women**[8]

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 9 | 2 | 22.2 |
| Key Management Personnel | 4 | 0 | 0.0 |
| Senior Management | 29,966 | 3,980 | 13.3 |

Note:

- Key Management Personnel (KMP) are Chief Executive Officer and Managing Director (CEO&MD), Chief Operating Officer and Executive Director (COO), Chief Financial Officer (CFO) and Company Secretary (CS).
- Senior Management excludes Directors and KMP.

20. **Turnover rate for permanent employees**[9]

| | FY 2021-22 | | | FY 2020-21 | | | FY 2019-20 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 17.3% | 17.8% | 17.5% | 7.5% | 7.5% | 7.5% | 12.8% | 14.2% | 13.3% |

**Note:**

- Turnover rates mentioned above are for TCS' global headcount (including IT and business services), excluding non-wholly owned subsidiaries.

[8] GRI 405-1
[9] GRI 401-1

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. **(a) Names of holding / subsidiary**[10]

| S. No. | Name of the holding / subsidiary/ (A) | Indicate whether holding/ Subsidiary | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1. | Tata Sons Private Limited | Holding | 72.3 | Yes |
| 2. | APTOnline Limited | Subsidiary | 89 | Yes |
| 3. | C-Edge Technologies Limited | Subsidiary | 51 | Yes |
| 4. | MP Online Limited | Subsidiary | 89 | Yes |
| 5. | TCS e-Serve International Limited | Subsidiary | 100 | No |
| 6. | MahaOnline Limited | Subsidiary | 74 | Yes |
| 7. | TCS Foundation | Subsidiary | 100 | Yes |
| 8. | Diligenta Limited | Subsidiary | 100 | Yes |
| 9. | Tata Consultancy Services Canada Inc. | Subsidiary | 100 | Yes |
| 10. | Tata America International Corporation | Subsidiary | 100 | Yes |
| 11. | Tata Consultancy Services Asia Pacific Pte Ltd. | Subsidiary | 100 | Yes |

[10] GRI 2-2

| S. No. | Name of the holding / subsidiary/ (A) | Indicate whether holding/ Subsidiary | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 12. | Tata Consultancy Services (China) Co., Ltd. | Subsidiary | 93.2 | Yes |
| 13. | Tata Consultancy Services Japan, Ltd. | Subsidiary | 66 | No |
| 14. | Tata Consultancy Services Malaysia Sdn Bhd | Subsidiary | 100 | Yes |
| 15. | PT Tata Consultancy Services Indonesia | Subsidiary | 100 | No |
| 16. | Tata Consultancy Services (Philippines) Inc. | Subsidiary | 100 | Yes |
| 17. | Tata Consultancy Services (Thailand) Limited | Subsidiary | 100 | No |
| 18. | Tata Consultancy Services Belgium | Subsidiary | 100 | Yes |
| 19. | Tata Consultancy Services Deutschland GmbH | Subsidiary | 100 | Yes |
| 20. | Tata Consultancy Services Sverige AB | Subsidiary | 100 | Yes |
| 21. | Tata Consultancy Services Netherlands BV | Subsidiary | 100 | Yes |
| 22. | Tata Consultancy Services Italia s.r.l. | Subsidiary | 100 | Yes |
| 23. | Tata Consultancy Services Luxembourg S.A. | Subsidiary | 100 | Yes |
| 24. | Tata Consultancy Services Switzerland Ltd. | Subsidiary | 100 | Yes |
| 25. | Tata Consultancy Services Osterreich GmbH | Subsidiary | 100 | No |
| 26 | Tata Consultancy Services Danmark ApS | Subsidiary | 100 | Yes |
| 27. | Tata Consultancy Services De Espana S.A. | Subsidiary | 100 | Yes |
| 28. | Tata Consultancy Services (Portugal) Unipessoal, Limitada | Subsidiary | 100 | Yes |
| 29. | Tata Consultancy Services France | Subsidiary | 100 | Yes |
| 30. | Tata Consultancy Services Saudi Arabia | Subsidiary | 100 | Yes |
| 31. | Tata Consultancy Services (Africa) (PTY) Ltd. | Subsidiary | 100 | Yes |
| 32. | Tata Consultancy Services (South Africa) (PTY) Ltd. | Subsidiary | 100 | No |
| 33. | TCS FNS Pty Limited | Subsidiary | 100 | Yes |

| S. No. | Name of the holding / subsidiary/ (A) | Indicate whether holding/ Subsidiary | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 34. | TCS Financial Solutions Beijing Co., Ltd. | Subsidiary | 100 | Yes |
| 35. | TCS Financial Solutions Australia Pty Limited | Subsidiary | 100 | Yes |
| 36. | TCS Iberoamerica SA | Subsidiary | 100 | Yes |
| 37. | TCS Solution Center S.A. | Subsidiary | 100 | Yes |
| 38. | Tata Consultancy Services Argentina S.A. | Subsidiary | 100 | Yes |
| 39. | Tata Consultancy Services Do Brasil Ltda | Subsidiary | 100 | Yes |
| 40. | Tata Consultancy Services De Mexico S.A., De C.V. | Subsidiary | 100 | Yes |
| 41. | Tata Consultancy Services Chile S.A. | Subsidiary | 100 | Yes |
| 42. | TCS Inversiones Chile Limitada | Subsidiary | 100 | Yes |
| 43. | TATASOLUTION CENTER S.A. | Subsidiary | 100 | Yes |
| 44. | TCS Uruguay S.A. | Subsidiary | 100 | Yes |
| 45. | MGDC S.C. | Subsidiary | 100 | Yes |
| 46. | Tata Consultancy Services Qatar L.L.C. | Subsidiary | 100 | No |
| 47. | Tata Consultancy Services UK Limited (formerly W12 Studios Limited) | Subsidiary | 100 | Yes |
| 48. | TCS Business Services GmbH | Subsidiary | 100 | Yes |
| 49. | Tata Consultancy Services Ireland Limited | Subsidiary | 100 | Yes |
| 50. | TCS Technology Solutions AG (formerly Postbank Systems AG) | Subsidiary | 100 | No |
| 51. | Saudi Desert Rose Holding B.V. | Subsidiary | 100 | Yes |
| 52. | Tata Consultancy Services Bulgaria EOOD | Subsidiary | 100 | Yes |
| 53. | Tata Consultancy Services Guatemala, S.A. | Subsidiary | 100 | No |

## VI. CSR Details

22. (i) **Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)** Yes

    (ii) **Turnover (in ₹)** ₹ 191,754 crore

    (iii) **Net worth (in ₹)** ₹ 89,139 crore

## VII. Transparency and Disclosures Compliances

23. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) | FY 2021-22 | | | FY 2020-21 | | |
|---|---|---|---|---|---|---|---|
| | (If Yes, then provide web-link for grievance redress policy)[11] | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes<br>https://on.tcs.com/Global-CSR-Policy | 0 | 0 | - | 0 | 0 | - |
| Investors (other than shareholders) | NA | NA | NA | NA | NA | NA | NA |
| Shareholders | Yes<br>As per SEBI Listing Regulations. | 87 | - | - | 86 | - | - |
| Employees | Yes | 190 | 14 | | 287 | 33 | |
| Customers | Yes.<br>Escalation mechanisms are defined in individual client contracts and addressed as per TCS Quality Policy. | 65 | 9 | | 59 | 4 | - |
| Value Chain Partners | https://on.tcs.com/WhistleBP | 0 | 0 | - | 0 | 0 | - |

[11] GRI 2-25

24. **Overview of the entity's material responsible business conduct issues**[12]

**Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format**

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate[13] | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Talent management:<br>The company's ability to attract, develop, motivate, and retain talent is critical to business success. | Risk | Risk of failure in any of the elements of talent management can impact the Company's ability to fulfill demand and grow its revenues. | Kindly refer the Enterprise Risk Management section in Management Discussion and Analysis | Negative |
| 2 | Social responsibility: Health and Wellness of TCS employees and associates | Risk | Has a direct impact on the health of TCS employees besides productivity impact. | Kindly refer to the Employee Health and Wellbeing section of Management Discussion and Analysis | Negative |
| 3 | Environmental Footprint:<br>Climate change | Risk | Extreme weather events due to climate change pose a physical risk of disruption to the company's operations, and the safety and wellbeing of its employees. Additionally, economic disruptions due to transition risks can impact the company's growth and profitability. | Kindly refer to the Enterprise Risk Management section in Management Discussion and Analysis. | Negative |
| | | Opportunity | As TCS' customers respond to climate change actions, the company is seeing opportunities to provide technology-led solutions to help them achieve their sustainability goals. | Kindly refer the Enterprise Risk Management section in Management Discussion and Analysis | Positive |

12 GRI 3-2
13 GRI 3-3

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 4 | Environmental Footprint -Water management | Risk | Water scarcity can impair the company's operations and disrupt business. | Employee education around saving water, more efficient use of water in campuses, Rain water harvesting, recycling of waste water. | Negative |
| 5 | Environmental Footprint -Waste management | Risk | Inadvertent non-compliance to existing and emerging regulations around recycling and the circular economy can result in economic penalties and reputation damage. | Reduction in waste generation, maximization of recycling and reuse. | Negative |
| 6 | Social Responsibility – Alignment with Local Communities | Risk | The business must be rooted in community and be aligned with the community's larger interests. Any adversarial relationship can hurt the company's ability to create longer term value. | Fostering local communities, job creation, skill development, supporting local relief efforts where required in times of crisis and paying taxes | Negative |
| | | Opportunity | Structural interventions around generating greater interest in STEM education and STEM careers in the younger generation, can address talent scarcity issues in the future and help build TCS' brand reputation for alignment with local communities. | | Positive |
| 7 | Corporate Governance – Board oversight, Conflict of Interest, Ethics, Risk and Compliance, Succession Planning | Risk | Strong corporate governance is core to achieving the organization's mission and any risks can undermine stakeholder trust, damage reputation and disrupt business. | Kindly refer to "Material aspects and TCS' approach to them" in Corporate Governance Report | Negative |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the wellbeing of all employees

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 Businesses should respect and promote human rights

P6 Business should respect, protect, and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

| Disclosure Questions | | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | | | |
| 1. | a. | **Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)[14]** | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | b. | **Has the policy been approved by the Board? (Yes/No)[14]** | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | c. | **Web Link of the Policies, if available[14]** | P1 to P9: Tata Code of Conduct[15] (TCoC)<br>P1: Whistleblower Policy[16]<br>P2 – Sustainable Supply chain Policy[17] –<br>P3 and P5 – Employees related Policies[18]<br>P4 and P8: CSR Policy[19]<br>P6 – HSE Policy and ESG Policy[20] | | | | | | | | |
| 2. | | **Whether the entity has translated the policy into procedures. (Yes / No)[21]** | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | | **Do the enlisted policies extend to your value chain partners? (Yes/ No)[22]** | Y | Y | Y | Y | Y | Y | Y | Y | Y |

14 GRI 2-23
15 https://on.tcs.com/Tata-Code-Of-Conduct
16 https://on.tcs.com/WhistleBP
17 https://www.tcs.com/sustainability-strategy
18 HR policies available to employees on Ultimatix, TCS Intranet
19 https://on.tcs.com/Global-CSR-Policy
20 https://on.tcs.com/Environmental-Policy
21 GRI 2-24
22 GRI 2-23

| Disclosure Questions | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 4. | **Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.** | Y[23] | Y[24] | Y[25] | NA | Y[26] | Y[27] | NA | NA | NA |
| 5. | **Specific commitments, goals and targets set by the entity with defined timelines, if any.[28]** | N | N | N | N | N | Y[29] | N | N | N |
| 6. | **Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.[30]** | NA | NA | NA | NA | NA | Y[30] | NA | NA | NA |

23 TATA Code of Conduct

24 iQMSTM, TCS' Integrated Quality Management System, comprehensively integrates the requirements and best practices of the latest industry models, frameworks and standards such as ISO 9001:2015, ISO 20000:2018, ISO 27001:2013, ISO 22301:2019, ISO 27701:2019, ISO 20017:2015, ISO 27018:2019, CMMI® DEV v 2.0 and CMMI® SVC v2.0; Health Safety and Environment Standards ISO 14001, ISO 45001; as well as industry domain specific standards such as AS9100 (Aerospace), TL9000 (Telecom) and ISO 13485 (Medical Devices).

25 ISO 45001:2018

26 TCS is aligned with international laws, principles, and norms, including those contained in the Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, United Nations Guiding Principles on Business and Human Rights and are a signatory to the UN Global Compact (UNGC) since 2006.

27 ISO 14001:2015, ISO 50001:2018

28 GRI 3-3

29 70% Reduction in absolute Scope 1 + Scope 2 emissions (vs base year 2016), Net zero by 2030

30 25% Reduction in absolute carbon emissions Y-o-Y; Renewable energy use at 37.2%

| Disclosure Questions | |
|---|---|
| **Governance, leadership and oversight** | |
| 7. | **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)[31]**<br><br>TCS has set forth its new carbon reduction goal to reduce its absolute greenhouse gas emissions across Scope 1 and Scope 2 by 70% by 2025 (over 2016 base year), and to achieve net zero emissions by 2030. The new goal is after having achieved the previous target of reducing its specific carbon footprint by half by 2020 (versus baseline year FY 2008), ahead of schedule.<br><br>N G Subramaniam, COO & Executive Director, TCS[32]: "Our net zero goal underlines our renewed commitment to environmental stewardship. To curb emissions and limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels, all organizations will have to reimagine existing business models and aim for sustainable growth. We are in a unique position to combine our purpose-driven world view with digital innovation to not only drive our own sustainability, but also partner with customers, civil society and governments to lead and shape solutions for a sustainable future,"<br><br>At the core of TCS' strategy to reduce its carbon footprint is improved energy efficiency through the addition of more green buildings to the company's real estate portfolio, reduction of IT system power usage, and the use of TCS Clever Energy™, which leverages IoT, machine learning and AI to optimize energy consumption across campuses. TCS' Vision 25x25 is a strategic lever that delinks TCS' business growth from campus expansion, and brings down emissions related to employee commutes and business travel. Other elements of the company's net zero aspiration include greater use of renewable sources of energy and carbon removal offsets.<br><br>Enivronmental targets and achievements are part of Natural Capital section, which is on Page 31 of Integrated Annual Report. |

31 GRI 2-22

32 https://www.tcs.com/tcs-targets-net-zero-emissions-by-2030

| Disclosure Questions | |
|---|---|
| 8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**[33] | Name: Milind Lakkad<br>Designation: Chief Human Resources Officer<br>Telephone number: 022 67789999<br>E-mail id: corporate.sustainability@tcs.com |
| **9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**[34] | The Stakeholders' Relationship Committee (SRC) of the Board of Directors is responsible for decision making on sustainability related issues. |

| DIN | Name | Designation |
|---|---|---|
| 03611983 | Dr. Pradeep Kumar Khosla | Chairman |
| 00008886 | Keki Mistry | Member |
| 06365813 | Rajesh Gopinathan | Member |

**10. Details of Review of NGRBCs by the Company:**

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency:Annually (A) / Half yearly (H) / Quarterly (Q) / Any other – please specify | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| **Performance against above policies and follow up action** | Y | Y | Y | Y | Y | Y | Y | Y | Y | Q | H | Q | Q | Q | H | H | Q | Q |
| **Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances** | Statutory Compliance Certificate on applicable laws is provided by the CEO to the Board of Directors. | | | | | | | | | Quarterly | | | | | | | | |
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | | | | | | | | | |
| **11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**[35] | N | Y | Y | N | N | Y | N | N | N | Annual where applicable | | | | | | | | |

12. **If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:** Not Applicable

[33] GRI 2-13
[34] GRI 2-9
[35] GRI 2-5

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**Essential Indicators**

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year[36]:**

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 10 | All | 100.0% |
| Key Managerial Personnel | 10 | All | 100.0% |
| Employees other than BoD and KMPs | 17,969 | All | 98.5% |

**Note:**

- All the principles laid down in BRSR are covered by TCS mandatory trainings and Tata Code of Conduct (TCoC), which is adhered to by all employees.
- Awareness programs covering the applicable principles were held and attended by all respective committee members of the Board and/or the Board of Directors.

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)[37]:**

| | Monetary | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | NIL | NIL | NIL | NA | NA |
| Settlement | NIL | NIL | NIL | NA | NA |
| Compounding fee | NIL | NIL | NIL | NA | NA |

| | Non-Monetary | | | |
|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | NIL | NIL | NA | NA |
| Punishment | NIL | NIL | NA | NA |

[36] GRI 2-17

[37] GRI 2-27

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of the regulatory / enforcement agencies / judicial institutions |
|---|---|
| NA | NA |

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy[38]**

   Yes. The TCoC contains guidelines on anti-bribery and anti-corruption. TCS is committed to upholding the highest moral and ethical standards, and does not tolerate bribery or corruption in any form. The policy is available on the company website at: https://on.tcs.com/Tata-Code-Of-Conduct

5. **Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption[39]:**

| | FY 2021-22 | FY 2020-21 |
|---|---|---|
| Directors | NIL | NIL |
| KMPs | NIL | NIL |
| Employees | 3 (Under fraud) | 2 (under Fraud) |

**Note:**

- Data specific to India. Cases pertain to employees in continued employment, where investigation by law enforcement agencies is underway, pending conclusion.

6. **Details of complaints with regard to conflict of interest:**

| | FY 2021-22 | | FY 2020-21 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL | NIL | NIL | NIL |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | NIL | NIL | NIL | NIL |

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable

[38] GRI 2-23
[39] GRI 205-3

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| Amount in ₹ crore | FY 2021-22 | FY 2020-21 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | 2,242 | 1,917 | TCS' investments in research and innovation have resulted in solutions like Envirozone™, Clever Energy and IP2™. TCS has been using Clever Energy for the last few years to reduce its energy consumption, and is now commercially selling it and the other two solutions to clients to help them achieve their sustainability goals. Additionally, TCS has been investing in building green campuses (IGBC certified). All of this, along with greater use of renewable energy has helped TCS bring down its carbon footprint by 66% versus base year 2016.[40] |
| Capex | 2,964 | 3,139 | |

2. a. **Does the entity have procedures in place for sustainable sourcing[41]? (Yes/No)**

   Yes. TCS' Sustainable Supply Chain policy and Green Procurement policy outline its commitment to making its supply chain more responsible and sustainable. The policies are available on our website:

| TCS Policy | Web link |
|---|---|
| Sustainable Supply Chain policy | https://on.tcs.com/SSCP |
| Green Procurement policy | https://on.tcs.com/GPP |

   b. **If yes, what percentage of inputs were sourced sustainably?**

   100% of TCS' suppliers are covered in the responsible sourcing program.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste[42].**

   TCS is an IT Consulting Services and Business Solutions company and does not manufacture any products hence this question is not applicable to the company's operations. TCS has defined processes in place for reuse, recycle and safe end-of-life disposal for the products used in its operations. TCS conducts audit on waste recycling vendors for the safe disposal of e-waste, used lube oil, battery waste and other hazardous waste.

[40] TCS Energy Management Solution – TCS AR FY 2016-17
[41] GRI 308-1
[42] GRI 306-2

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   No. EPR is not applicable to TCS.

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

1. a. **Details of measures for the well-being of employees[43]:**

| Category | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health Insurance | | Accident Insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent Employees** | | | | | | | | | | | |
| Male | 325,241 | 325,241 | 100 | 325,241 | 100 | NA | NA | 57 | 0.02 | NA | NA |
| Female | 182,945 | 182,945 | 100 | 182,945 | 100 | 182,945 | 100 | 0 | 0 | NA | NA |
| Total | 508,186 | 508,186 | 100 | 508,186 | 100 | 182,945 | 36 | 57 | 0.01 | NA | NA |
| **Other than Permanent Employees** | | | | | | | | | | | |
| Male | Vendors and Contractors are required to adhere with the statutory compliance as per the state rules. | | | | | | | | | | |
| Female | | | | | | | | | | | |
| Total | | | | | | | | | | | |

**Note:**

- Data specific to India.
- Paternity Leave benefit is applicable only to employees of the erstwhile eServe.
- There are no day-care facilities on TCS premises. TCS has location wise tie-ups with third-party run day care centers, which employees can avail of.

[43] GRI 401-2

2. **Details of retirement benefits, for Current FY and Previous Financial Year[44].**

| Benefits | FY 2021-22 | | FY 2020-21 | |
|---|---|---|---|---|
| | No. of employees covered as a % of total employees | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100 | Y | 100 | Y |
| Gratuity | 100 | Y | 100 | Y |
| ESI | 6 | Y | 8 | Y |
| SA | 6 | Y | 7 | Y |
| NPS | 1 | Y | 1 | Y |

**Note:**

- Data specific to India.

3. **Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

   Yes

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. –**

   Yes. The Tata Code of Conduct can be accessed at: https://www.tcs.com/tata-code-of-conduct. Additionally, there is a Disability Inclusion Policy governing TCS' India operations, available to employees on the company's local intranet.

[44] GRI 201-3

5. **Return to work and Retention rates of permanent employees that took parental leave[45].**

| Gender | Permanent employees | |
|---|---|---|
| | Return to work rate | Retention rate |
| Male | 89% | 88% |
| Female | 89% | 93% |
| **Total** | **89%** | **93%** |

**Note:**

- Data specific to India.

6. **Is there a mechanism available to receive and redress grievances[46] for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Employees | Yes, the employees can use the "Employee Concerns" application to log their grievances in TCS internal portal, which will be addressed by the respective stakeholders within the stipulated timelines |
| Other than Permanent Employees | Non-Permanent employees can raise the grievances via Email to the concerned stakeholders. |

[45] GRI 401-3
[46] GRI 2-25

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity[47]:**

| Category | FY 2021-22 | | | FY 2020-21 | | |
|---|---|---|---|---|---|---|
| | Total employees in respective category (A) | No. of employees in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees in respective category (C) | No. of Employees in respective category, who are part of association(s) or Union (D) | % (D/ C) |
| Total Permanent Employees | 508,186 | 55 | 0.01 | 415,649 | 61 | 0.01 |
| -Male | 325,241 | 55 | 0.02 | 263,178 | 61 | 0.02 |
| -Female | 182,945 | 0 | 0.0 | 152,471 | 0 | 0.0 |

**Note:**

Data specific to India.

8. **Details of training given to employees and workers[48]:**

Training and engagement are an important element for safety awareness. Health and safety training is imparted to employees as a part of the induction module at the time of joining to achieve minimum mandatory health and safety (H&S) competence combined with an annual refresher web based training. Further, TCS engages employees on H&S through various

[47] GRI 2-30
[48] GRI 404-1

communication channels like webinars trainings, posters, events, emails, floor meetings, skits, videos, and blog/posts on TCS intranet. Several campaigns like the Road Safety Awareness, Ergonomics Awareness, Fire Safety awareness, Incident reporting engage employees to make them more aware and safety conscious.

The number of employees who have completed the refresher training is given below:

| Category | FY 2021-22 | | | | | FY 2020-21 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and Safety Measures | | On Skill Upgradation | | Total (D) | On Health and Safety Measures | | On Skill Upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Male | 379,942 | 374,645 | 98.6 | 367,461 | 96.7 | 304,327 | 297,601 | 97.8 | 288,473 | 94.8 |
| Female | 210,720 | 205,656 | 97.6 | 201,314 | 95.5 | 171,367 | 164,608 | 96.1 | 160,297 | 93.5 |
| **Total** | **590,662** | **580,301** | **98.2** | **568,775** | **96.3** | **475,694** | **462,209** | **97.2** | **448,770** | **94.3** |

**Note:**

- The above data includes all Mandatory Policies related training including Health and Safety.
- The above data is based on Globally reported training and excludes employees on Leave Without Pay.
- Based on TCS' global headcount of permanent employees. Excludes employees of non-wholly owned subsidiaries.

9. **Details of performance and career development reviews of employees and worker[49]:**

| Category | FY 2021-22 | | | FY 2020-21 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| | | | Employees | | | |
| Male | 251,176 | 248,972 | 99.1 | 274,310 | 271,546 | 99.0 |
| Female | 131,896 | 130,857 | 99.2 | 153,413 | 151,473 | 98.7 |
| **Total** | **383,072** | **379,829** | **99.2** | **427,723** | **423,019** | **98.9** |

**Note:**

- Data specific to India.

[49] GRI 404-3

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system[50]?**

Yes. TCS is certified to ISO 45001:2018 Occupational Health and Safety (OHS) Management System standard across 124 of its facilities worldwide in FY 2022. These certified locations constitute 82% of office footprint and >96% of people footprint operating from these locations.

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

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity[51]?**

As a part of ISO 45001:2018 Occupational Health and Safety Management System, TCS has a documented procedure to carry out assessment of work-related hazards and risks for all routine and non-routine activities carried out at any location. Hazard and risk identification is carried out by the process owners in consultation with the safety experts. The process owners are responsible to ensure adequate controls are identified and implemented to control the identified OHS risks. Mitigation plan and controls are provided to eliminate the identified hazards and risks.

c. **Whether you have processes for employees to report the work related hazards and to remove themselves from such risks. (Y/N)[52]**

Yes. TCS has a safety incident reporting and management process to ensure that all work-related incidents (which include accidents, near-misses, unsafe conditions and unsafe acts) are reported and closed after taking necessary corrective actions. This is enabled through an online safety incident reporting tool which is accessible to all TCS employees to facilitate transparent reporting. The platform also supports incident investigation and corrective action with the perspective of eliminating hazards and preventing incidents.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)[53]**

Yes. TCS recognizes that overall physical and mental wellbeing of its employees is integral to its success and growth aspirations. TCS has a people focus approach by involving consulting and training employees on physical health, mental health, and wellbeing.

TCS has taken a holistic approach to well-being and redefined them to be relevant in these trying times of pandemic. These well-being programs were reimagined to look at various aspects such as COVID-19 support, mental health, ergonomic health, physical health, and safety at home, delivered through digital channels, hospital insurance services, occupational health services and through seamless integration of all stakeholders. TCS Cares initiative has instituted programs for associates

[50] GRI 403-1
[51] GRI 403-2
[52] GRI 403-2
[53] GRI 403-6

and their families to help cope with the mental stress and anxiety. TCS has been promoting health and wellbeing of employees through Yoga, Fit4Life and similar initiatives.

TCS has occupational health centers (OHC) at TCS facilities in India. The employees and contractors who are working at these facilities have access to non-occupational medical and healthcare services as well. Beyond the OHCs, TCS provides comprehensive medical and healthcare services to employees through the company provided medical insurance to employees and their dependents. In overseas geographies, non-occupational medical and healthcare services are provided as per the country regulations. To ensure physical fitness, TCS also has recreational facilities and gymnasiums at many of its facilities for the benefit of the employees.

TCS, through its TCS Cares initiative, instituted programs for employees and their families to help cope with the mental stress and anxiety. Online counselling sessions and self-help resources saw an increase in usage. Interactive sessions for grief support as well as extending individual grief counselling to employees through proactive HR connects and reach outs were conducted to extend support to employees battling with losses. Also, a special series of burnout support offerings were deployed to increase awareness and create support strategies for burnout. HR connects were strengthened through Emotional Wellbeing SOPs. Special sessions were organized for stress management for leadership teams for managing the new normal Peer counselling for HRs was done to equip them to handle mental health cases coming from employees. A special series of "Respond with Care" offerings, highlighting hope and positive psychology, providing basic emotional first aid skills is also being provided to HRs, Managers and employees.

11. **Details of safety related incidents[54], in the following format:**

    Typical to any service sector company operating out of office-based premises, most common injuries occur due to slips, trips and falls or being struck by stationary objects, road accidents in company provided transport. TCS ensures capturing all types of incidents including accidents, near-misses and safety observations and ensuring 100% closure of the reported incidents with appropriate corrective and preventive actions.

    The safety incident statistics is given below –

| Safety Incident/Number | Category | FY 2021-22 | FY 2020-21 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.0032 | 0.0044 |
| Total recordable work-related injuries | | 4 | 5 |
| No. of fatalities | | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | | 0 | 0 |

12. **Describe the measures taken by the entity to ensure a safe and healthy work place[55].**

    TCS recognizes that occupational, health & safety (OHS) and overall physical and mental wellbeing of its employees is integral to its success and growth aspirations as spelled out in its OHS Policy. TCS is committed to provide safe workplaces focusing on preventing injuries, illnesses, and continuously strives to eliminate hazards and reduce OHS risks.

[54] GRI 403-9, GRI 403-10
[55] GRI 403-2, GRI 3-3, GRI 403-9, GRI 403-10

Key occupational health related risks are associated with the key generic H&S risks identified typical to TCS' nature of operations include workplace ergonomics risks arising due to computer usage, indoor air quality, workplace illumination and noise and fire risk typical to an office building and general office risks including slips, trips, falls, electrical shock, etc. Hazard identification and risk assessment process is conducted to has helped identify each such risk and ensure that proper mitigation measures are put in place to create a healthy and safe work environment.

Some of the mitigation measures to prevent or mitigate significant occupational health & safety impacts include,

- Provision and maintenance of fire detection, alarm and suppression systems
- Regular site review, inspections and audits to assess safety preparedness
- Regular mock drills for fire as well as medical emergencies
- Provision of ergonomically designed chairs and workstations to prevent musculoskeletal disorders (MSD's) and low radiation computer monitors for better visual health
- Digital monitoring of indoor air quality and periodic cleaning of the HVAC ducts to avoid sick building syndrome
- Regular training on occupational health & safety training to sensitize employees on OHS aspects to inculcate a culture of safety
- Employee engagement campaigns on health & safety topics such as fire safety, road safety, emergency evacuation, ergonomics among others

There are no major H&S risks associated with TCS services as the company provides customized software solutions and IT services.

13. **Number of Complaints on the following made by employees[56]:**

| | FY 2021-22 | | | FY 2020-21 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 40 | 0 | | 44 | 0 | |
| Health & Safety | | | | | | |

14. **Assessments for the year[57]:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | TCS has 124 locations globally certified with ISO 45001:2018, Occupational Health & Safety Standards. 100% of offices have been audited during FY 2022 by qualified internal auditors at TCS.<br>Every year, one third of TCS' locations are identified to be sampled for external/ third party audits. In FY 2022 about 30% of TCS' offices have undergone ISO 45001:2018 audits by External Auditors / third parties. Hence, out of 124 locations globally, TCS has 38 of them undergo external audits by TUV Nord for occupational health & safety.<br>There were no statutory audits conducted on health and safety practices in FY 2022 for any of the offices in India. |

[56] GRI 2-25
[57] GRI 3-3

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Working Conditions | TCS locations are subject to site safety inspections and reviews periodically by internal health & safety team with the perspective of checking any health, hygiene and safety hazards and mitigating them.<br>As a part of ISO 45001:2018 audits, TCS locations undergo a site review and assessment to check deployment of operational controls. 100% of TCS' sites get checked and inspected for health and safety aspects during each year. |

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**[58]

    There were a few road/transport, slip, trip and fall related incidents during the year which have been investigated and closed with necessary corrective and preventive actions. Defensive driving focus and behavioral based safety practices have been emphasized as corrective measures.

[58] GRI 403-10

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

1. **Describe the processes for identifying key stakeholder groups of the entity**[59]**.**

    TCS engages with a broad spectrum of stakeholders, to deepen its insights into their needs and expectations, and to develop sustainable strategies for the short, medium and long term. Stakeholder engagement also helps to manage risks and opportunities in business operations. The key stakeholders identified in consultation with the company's management are: customers, employees, shareholders, academic institutions, head-hunters, staffing firms, other suppliers, partners and collaborators, industry bodies such as NASSCOM and CII, governments, NGOs, local communities, regulators and society at large.

    Some other stakeholders that TCS closely engages with – such as industry analysts, equity analysts, and the news media –are proxies for other named stakeholders – i.e. customers, shareholders, and society at large, respectively.

    Stakeholder interactions might be structured (e.g. surveys, account statements) or unstructured (town halls, 1x1 meetings). Based on mutual convenience and need, the engagement maybe scheduled as needed, or pre-scheduled on a periodic basis (fortnightly/ monthly/ quarterly/ annual) or continuous (e.g. website, social media).

[59] GRI 2-29

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group[60]**

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of Engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Customers | No | **As needed:** Project-related calls and meetings; project management reviews; relationship meetings and reviews; executive meetings and briefings; customer visits; responses to RFIs/ RFPs; sponsored events; mailers; newsletters; brochures | • **Continuous:** TCS website; social media (LinkedIn, Twitter, Facebook, Instagram, YouTube)<br>• **Half-yearly:** Customer satisfaction surveys<br>• **Annual:** Customer summits; Innovation days; Executive customer surveys; Sponsored Community events | • Understanding client, industry and business challenges<br>• Identifying opportunities to improve TCS' service and products for cross-selling<br>• Deciding on investments and capabilities required to fulfil demand<br>• Understanding client's data privacy and security requirements |
| Shareholders | No | **As needed:** Press releases and press conferences; email advisories; facility visits; in-person meetings; investor conferences; non-deal roadshows; conference calls | • **Quarterly:** Financial statements in IndAS and IFRS; earnings call; exchange notifications; press conferences<br>• **Half Yearly:** CEO message on half-yearly financial performance and summary of significant events<br>• **Continuous:** Investors page on the TCS website<br>• **Annual:** Annual General Meeting; Annual Report | • Educating the investor community about TCS integrated value creation model and business strategy for the long term<br>• Helping investors voice their concerns regarding company policies, reporting, strategy, etc.<br>• Understanding shareholder expectations |

[60] GRI 2-29

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of Engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Employees | No | **As needed:** Town halls; roadshows; project or operations reviews; video conferences; audio conference calls; one-on-one counselling | • **Monthly:** @TCS (in-house magazine)<br>• **Continuous:** TCS website; Ultimatix Notice Board; CEO Connect; CTO Blog; Corporate Corner; Knome; dipstick surveys; grievance redressal system<br>• **Annual:** PULSE (employee feedback survey); long-service awards; sales meets; Blitz (business planning meet) | • Career Management and Growth Prospects<br>• Learning opportunities<br>• Compensation structure<br>• Building a safety culture and inculcating safe work practices among employees<br>• Ongoing desire for more flexible working hours<br>• Improving Diversity and Inclusion |
| Partners and Collaborators | No | **As needed:** Meetings/calls; COINTM meetings; visits; partner events | • **Monthly:** Conference calls<br>• **Quarterly:** Business reviews<br>• Annual: Partner events | • Stronger partnerships<br>• Demand Sustainability<br>• Credit worthiness<br>• Ethical Behavior<br>• Fair Business Practices<br>• Governance |
| Academic Institutions | No | **As needed:** Academic Interface Program; Co-Innovation Network (COIN™) meetings | • **Continuous:** TCS website; academic portal<br>• Annual: Sangam (high-level academic conference); campus recruitment | • Knowledge-exchange collaboration<br>• Advancing the academic's research program / curriculum enhancement<br>• Job creation<br>• Internship opportunities<br>• Faculty development |

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of Engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Head-hunters; staffing firms; other suppliers | No | **One-time:** RFIs/RFPs; empanelment process | **As needed:** Transactional meetings; periodic reviews; surveys | • Diversity hiring initiatives and what are the biggest challenges |
| Industry bodies, Regulators | No | **As needed (need basis / usually 1-2 meetings in 3 months' basis):**<br>• Conferences and seminars,<br>• working committee meetings,<br>• surveys,<br>• other meetings | **Annual:** Conferences; summits | • Ensure 100% compliance to all local laws |
| Governments; NGOs; local communities; media, industry analysts, society at large | No | **As needed:** Governance RFIs/RFPs; presentations; project meetings; reviews; calls and meetings; surveys; consultative sessions; field visits; due diligence; calls and meetings; conferences and seminars; surveys; press releases; press conferences; media interviews and quotes; sponsored events, Analyst Days | **Continuous:** TCS website | • Understand areas for sustainable development<br>• Communicate TCS' performance and strategy;<br>• Manage TCS' brand and reputation;<br>• Share and contribute to thought leadership and insight into public and business concerns;<br>• Discuss TCS' response to responsible business issues<br>• Work in partnership to develop solutions to global challenges |

**PRINCIPLE 5 Businesses should respect and promote human rights**

**Essential Indicators**

1. **Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format[61]:**

| Category | FY 2021-22 | | | FY 2020-21 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees covered (B) | % (B / A) | Total (C) | No. of employees covered (D) | % (D / C) |
| **Employees** | | | | | | |
| Permanent | 590,662 | 580,335 | 98.3 | 475,694 | 462,172 | 97.2 |
| Other than permanent | 17,609 | 15,333 | 87.1 | 12,393 | 10,826 | 87.4 |
| **Total Employees** | **608,271** | **595,668** | **97.9** | **488,087** | **472,998** | **96.6** |

Note:

- Training details for TCS Global headcount.

[61] GRI 2-24

2. **Details of minimum wages paid to employees in the following format[62]:**

| Category | FY 2021-22 | | | | | FY 2020-21 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total(A) | Equal to MinimumWage | | More than MinimumWage | | Total(D) | Equal to MinimumWage | | More than MinimumWage | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 325,241 | 726 | 0.2 | 324,515 | 99.8 | 263,178 | 373 | 0.1 | 262,805 | 99.9 |
| Female | 182,945 | 557 | 0.3 | 182,388 | 99.7 | 152,471 | 282 | 0.2 | 152,189 | 99.8 |
| **Other than Permanent** | | | | | | | | | | |
| Male | 9.924 | NA | NA | NA | NA | 7,231 | NA | NA | NA | NA |
| Female | 7,685 | NA | NA | NA | NA | 5,162 | NA | NA | NA | NA |

Note:

- Data specific to India
- Other than Permanent category consists of contractors and interns. The professional fees / stipends paid to them are not comparable to the salaries paid to employees.

[62] GRI 405-2

3. **Details of remuneration/salary/wages, in the following format[63]:**

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/wages of respective category (₹ Lakh per annum) | Number | Median remuneration/salary/ wages of respective category (₹ Lakh per annum) |
| Board of Directors (BoD) | Distribution provided below | | | |
| (a) Executive Directors | 2 | 2,322.8 | - | NA |
| (b) Non-Executive Non-Independent Directors | 1 | Nil | 1 | Nil |
| (c) Non-Executive Independent Directors | 4 | 237.5 | 1 | 225.0 |
| Key Managerial Personnel | 4 | - | - | NA |
| Employees other than BoD and KMP | Distribution provided below | | | |
| (a) Junior | 161,708 | 3.6 | 112,476 | 3.7 |
| (b) Middle | 144,162 | 12.8 | 67,274 | 10.2 |
| (c) Senior | 19,234 | 34.3 | 3,195 | 32.4 |

Notes:

- At TCS, remuneration is the same for men and women working full-time, in the same grade, in the same role, and at the same location[64]. Gaps in median salary between genders at middle and senior levels is due to a higher proportion of women at the junior ends of each cohort. TCS' focused diversity and inclusion programs are expected to narrow this gap over time.
- Data is specific to India.
- The median remuneration of Non-Executive Directors is Nil (refer serial no. III(iv)(a) of the Corporate Governance Report)
- Key Managerial Personnel includes CEO, COO, CFO, CS, erstwhile CFO and CS, who relinquished their offices with effect from April 30, 2021 and October 31, 2021 respectively. The median remuneration of the Executive Directors are covered as a part of BoD. Since the remuneration of CFO and CS is only for part of the year, their median remuneration has not been stated
- Remuneration details of BoD and KMPs are as published in Integrated Annual Report FY 2022.

[63] GRI 2-19, GRI 2-21
[64] GRI 405-2

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business[65]? (Yes/ No)** - Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues[66].**

   Reporting avenues have been provided for TCS' employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of the Company Code, policies or law including human rights violation. Representations made in the reporting avenues are reviewed and appropriate action is taken on substantiated violations.

6. **Number of Complaints on the following made by employees and workers[67]:**

| | FY 2021-22 | | | FY 2020-21 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 36 | 16 | Review in progress | 27 | 8 | Closed |
| Discrimination at workplace | 1 | 0 | Closed | 1 | 0 | Closed |
| Child Labour | 0 | 0 | 0 | 0 | 0 | 0 |
| Forced Labour/Involuntary Labour | 0 | 0 | 0 | 0 | 0 | 0 |
| Wages | 0 | 0 | 0 | 0 | 0 | 0 |
| Other human rights relatedissues | 0 | 0 | 0 | 0 | 0 | 0 |

Notes:

- Data specific to India
- The above data is as on March 31, 2022

[65] GRI 2-13
[66] GRI 2-25
[67] GRI 406-1

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases[68].**

   Concerns on discrimination and harassment are dealt with confidentially. TCS does not tolerate any form of retaliation against anyone reporting good faith concerns. Anyone involved in targeting such a person raising such complaints will be subject to disciplinary action.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)[69]**

   Yes.

9. **Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | TCS internally monitors compliance for all relevant laws and policies pertaining to these issues. There have been no observations by local statutory / third parties in India in FY 2022. |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others – please specify | |

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

    Not Applicable

[68] GRI 2-25
[69] GRI 2-23, GRI 2-24

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format[70]:**

   TCS uses multiple energy sources in its daily operations, electricity being the primary source. Majority of the electricity comes from conventional sources, but TCS has increased the share of renewable electricity (RE) over the years through onsite rooftop solar generation, third party procurement and purchase of Energy Attribute Certificate (EAC) (in select geographies). Other sources of energy include natural gas (mainly used for space heating/cooling), district heating and cooling, fuel used in company owned vehicles, cooking gas used in cafeteria and diesel used in diesel generators (mainly used as a back-up source for power shortages). The RE consumption as a % of total electricity consumption has increased from 15.6% in FY 2021 to 37.2% in FY 2022 The electricity used across India operations reduced by 6.5% Y-o-Y. For global operations, there is an increase in total electricity use by 2.7% Y-o-Y due to the increased reporting boundary in FY 2022 covering operations in North America (NA), Asia Pacific (APAC), Europe and Middle East.

[70] GRI 302-1, GRI 302-3

Details of total energy consumption (in Mega Joules) and energy intensity are provided in the table below:

| Parameter | FY 2021-22 | FY 2020-21 |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | 401,662,127 | 163,892,956 |
| Total fuel consumption (B) | 0 | 0 |
| Energy consumption through other sources (C) | 8,482,654 | 0 |
| **Totalenergy consumed from renewable sources (A+B+C)** | **410,144,781** | **163,892,956** |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 672,917,518 | 880,609,895 |
| Total fuel consumption (E) | 41,303,253 | 38,154,387 |
| Energy consumption through other sources (F) | 0 | 0 |
| **Total energy consumed from non-renewable sources (D+E+F)** | **714,220,770** | **918,764,282** |
| Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) | 0.00058 | 0.00066 |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes. This data has been subject to independent assurance by Ernst & Young Associates LLP (EY).

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Not Applicable

3. **Provide details of the following disclosures related to water[71], in the following format:**

   The sources of freshwater at TCS includes third party water (86.4%), groundwater (8.4%) and rainwater harvested (5.2%). TCS optimizes water consumption through conservation, sewage treatment and reuse, and rainwater harvesting. All new campuses have been designed for higher water efficiencies, 100% treatment and recycling of sewage, and rainwater harvesting. The detailed break up is given below:

| Parameter | FY 2021-22 | FY 2020-21 |
|---|---|---|
| **Water withdrawal by source (in kiloliters)** | | |
| (i) Surface water | NIL | NIL |
| (ii) Groundwater | 121,756 | 116,126 |
| (iii) Third party water | 1,243,889 | 1,209,121 |
| (iv) Seawater / desalinated water | NIL | NIL |
| (v) Others – Rainwater utilized | 75,314 | 76,034 |
| **Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)** | 1,440,959 | 1,401,280 |
| **Total volume of water consumption (in kiloliters)** | 1,319,696 | 1,268,191 |
| **Water intensity per rupee of turnover (Water consumed / turnover)** | 0.0000007 | 0.0000008 |

[71] GRI 303-3, GRI 303-5

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.Yes. This data has been subject to independent assurance by Ernst & Young Associates LLP (EY).**

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation[72].**

   Yes, TCS has achieved zero liquid discharge across all the campuses. TCS optimizes water consumption through conservation, sewage treatment and reuse, and rainwater harvesting. All new campuses have been designed for 100% treatment and recycling of sewage, and rainwater harvesting.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

   TCS being a service sector company does not have significant air emissions other than those arising from operation of DG sets during power outages.

   TCS's operations in India have necessary consent under the Air (Prevention & Control of Pollution) Act (1981), for operation of DG set and ensures compliance to the conditions which includes stack emission parameters like nitrous oxide, non-methane hydrocarbons, carbon monoxide, particulate matter, etc. Stack emission monitoring is conducted as per the frequency required under the Consent To Operate (CTO) the DG.

| Parameter | Please specify unit | FY 2021-22 | FY 2020-21 |
|---|---|---|---|
| NOx | NA | NA | NA |
| SOx | NA | NA | NA |
| Particulate matter (PM) | NA | NA | NA |
| Persistent organic pollutants (POP) | NA | NA | NA |
| Volatile organic compounds (VOC) | NA | NA | NA |
| Hazardous air pollutants (HAP) | NA | NA | NA |
| Others–please specify | NA | NA | NA |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The DG stack emissions are sampled and analyzed by government approved laboratories and the reports are reviewed by the internal team to ensure compliance to the CTO conditions. These stack emission reports are submitted to government authorities (State Pollution Control Boards) as per consent conditions. These reports are also verified during internal and external audits to check compliance.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format[73]:**

   The Scope 1 emissions are from direct GHG sources like fuel used in company owned vehicles, diesel generators and cafeteria, fugitive emissions from refrigerants and fuel used for space heating. These amount to about 10.6%

[72] GRI 303-1, GRI 303-2

[73] GRI 305-1; GRI 305-2, GRI 305-4. Scope 1 emissions have been calculated using the emissions factors published by the DEFRA conversion factors 2021. For Scope 2 emissions – for India, the source is the emissions factor in the CO2 Baseline Database for the Indian Power Sector, User Guide, Version 16.0, March 2021, published by the Central Electricity Authority of India. For Australia, Canada, Europe, North America, New Zealand, Hong Kong and UK emission factors specific to the region published by local authorities are used. For other countries IEA v4 emission factors 2021 and GHG protocol/ IEA 2021 have been used.

of the Scope 1 + Scope 2 carbon footprint in FY 2022. The remaining 89.4% is from indirect emissions, referred to as Scope 2 emissions, associated with purchased electricity. The breakup is provided as required in below table.

| Parameter | Unit | FY 2021-22 | FY 2020-21 |
|---|---|---|---|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 | 16,684 | 16,284 |
| - CO2 | tCO2e | 2,813 | 2,789 |
| - CH4 | tCO2e | 1.38 | 8.6 |
| - N20 | tCO2e | 28.3 | 4.7 |
| - HFC | tCO2e | 13,841 | 13,505 |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 141,045 | 193,994 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | tCO2e/INR | 0.00000008 | 0.00000013 |
| Total Scope 1 and Scope 2 emission intensity (optional)[74] – the relevant metric may be selected by the entity | | | |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes. This data has been subject to independent assurance by Ernst & Young Associates LLP (EY).

[74] TCS has not calculated the emission intensity per full time employee (FTE) during the pandemic years as the employees working out of offices was very less.

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details[75].**

Yes. TCS has taken up the target to reduce its absolute Scope 1 and Scope 2 carbon footprint by 70% by 2025 and become net zero by 2030. To achieve these targets, the green-house gas management approach has four key levers – green infrastructure, green IT, IT-enabled operational efficiencies, and renewable energy. These energy efficiency initiatives have resulted in avoidance of GHG emissions of approximately 3,200 tCO2e in FY 2022.

**Green Infrastructure and IT enabled operational efficiency:**

All new campuses owned by TCS are designed according to green building standards for energy and resource efficiency. They have roof top solar photovoltaic installations to reduce the carbon footprint. Currently, 34 TCS offices spanning across over 28.2 million sq. ft of office area, are certified green buildings by Indian Green Building Council (IGBC). These make up over 64.4% of TCS' total real estate portfolio in India.

In FY 2022, projects were taken up to improve the energy efficiency in existing buildings as well through retrofits. Cooling systems were upgrade to efficient energy star rated appliances. UPS resizing and consolidation. Modular UPS were adopted where feasible. Other auxiliaries like pumps, cooling towers, etc. were also replaced. TCS' resource optimization center continues to help monitor the energy use on real time basis to optimize it further by leveraging AI and ML.

**Green IT:**

Green IT initiatives include a) IT Energy optimization in Data center and Equipment rooms and b) IT energy optimization in the delivery centers. Data center and Equipment room efficiency projects included replacement of over

[75] GRI 305-5

20 UPSs and 30 cooling units with more efficiency systems. The company achieved PUE of 1.65 at the two owned-premise TCS data centers at Yantra Park and Siruseri. Looking forward, the company is incorporating next-gen green data center practices with futuristic and modular technologies like Modular UPS, Cold Aisle Containment, real time monitoring of temperature and energy consumption, etc. For IT energy optimization in the delivery center, the energy efficiency initiatives are through switching off/replacement of excess capacity/inefficient UPSs, replacement of desktops with laptops and improved rack per user ratio.

**Renewable Energy**

The company continued to augment the roof top solar photo voltaic installations this year as well taking the total installed capacity to 10.2 MWp contributing to 3.76 percent of total electricity use in the reporting year. Solar roof top installations at Adibatla Hyderabad (2,154 kWp) and TCS Center Kochi (207 kWp) was completed within the reporting year. The company increased the renewable energy procurement through third party PPA for solar energy at TCS Siruseri office and switch over to green tariff for its operations in the states of Karnataka and Maharashtra. This resulted in an increase in the renewable energy use to 37.2% of the company's total energy use in FY 2022. TCS is committed to improve the RE mix in its energy portfolio further in the coming years.

**Carbon Neutrality:**

The company has become carbon neutral across Scope 1 and Scope 2 carbon footprint for its operations in Asia Pacific (APAC)[76] , Europe and North America (NA) for FY 2022 in line with PAS 2060:2014 standards assured by Bureau Veritas India Limited.

[76] Excluding Japan

8. Provide details related to waste management by the entity, in the following format[77]:

| Parameter | FY 2021-22 | FY 2020-21 |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste (A) | 42.9 | 10.4 |
| E-waste (B) | 563 | 166[78] |
| Bio-medical waste (C) | 1.61 | - |
| Construction and demolition waste (D) | 62.4 | - |
| Battery waste (E) | 286 | 175 |
| Radioactive waste (F) | NA | NA |
| Other Hazardous waste. Please specify, if any. (G) | 27.6 | 28.7 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 2,351 | 1,794 |
| Total (A+B + C + D + E + F + G + H) | 3,384.5 | 2,174.2 |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled ** | | |
| - Battery | 258 | 190 |

[77] GRI 306-3; 306-4; 306-5

[78] The value of e-waste generated in MT in FY 2021 pertains only to the consumer e-waste. FY 2022 value includes consumer and IT e-waste in MT

| Parameter | FY 2021-22 | FY 2020-21 |
|---|---|---|
| -E-waste | 583 | 115[79] |
| -Hazardous waste | 27.0 | 20.6 |
| -Non-Hazardous waste | 1,077 | 703 |
| -Plastic Waste | 38 | 8.47 |
| -Construction & Demolition waste | 61.6 | |
| (ii) Re-used | | |
| (iii) Other recovery operations | | |
| **Total** | **2,044.6** | **1,037.1** |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | | |
| -Biomedical waste | 1.61 | |
| -Non-hazardous waste | 36.4 | |
| (ii) Landfilling | | |
| -Non-hazardous waste | 1,112 | 813 |
| (iii) Other disposal operations | | |
| **Total** | **1,150** | **813** |

** 100% of the regulated waste (hazardous wastes, e-waste, battery waste), plastic wastes, paper & packaging wastes are disposed through recycling. The generated quantities, if remaining at the end of the financial year for disposal, are stored at the facilities and recycled through approved/ authorized vendors.

[79] The value for e-waste disposed in MT in FY 2021 pertains only to the consumer e-waste, as IT e-waste disposed was recorded in numbers in FY 2021 (26,479 units). FY 2022 value includes consumer and IT e-waste in MT.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes. This data has been subject to independent assurance by Ernst & Young Associates LLP (EY).

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes[80].**

TCS being an IT services and consulting organization, does not manufacture physical products and therefore does not use any hazardous or toxic chemicals in any of its processes. The company has offices and facility operations, and the waste is generated from the auxiliary processes used to run these facilities. Based on the nature of services, TCS' facilities mostly generate electronic, electrical, and municipal solid waste, and generate very less hazardous waste and do not use toxic chemicals. Potentially hazardous and regulated wastes such as lead-acid batteries and waste lube oil are generated in relatively smaller proportions which are disposed through government approved recyclers as per regulations. E-waste is disposed to government approved e-waste recyclers.

TCS is committed to sustain the best practices that have already been institutionalized like segregation of all recyclable wastes, 100% compliance to management practices for regulated wastes like hazardous and e-waste and 100% recycling on printer and toner cartridges, paper and packaging wastes. TCS also ensures 100% disposal of biomedical waste (BMW) through govt authorized BMW disposal agencies in India as per regulatory requirements. The company targets to maximize the recycling and reuse of all waste categories to divert waste from landfill.

[80] GRI 306-2

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format[81]:**

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| 1 | TCS Kalinga Park, Chandaka Industrial Estate, Bhubanewar, Odisha | Software Consultancy Services | Yes, the company has obtained environmental clearance for the premises. TCS office is located in the Special Economic Zone (SEZ) developed by the Odisha Industrial Infrastructure Development Corporation (IDCO). |

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year[82]:**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Technocity, Trivandrum Located at Pallipuram, Trivandrum, Kerala. It is situated at about 22 Kms from Trivandrum International airport and about 10 Kms from the existing TCS campus at Technopark. The land for the project is leased from Technopark (a society wholly controlled by Kerala Government) | SIA/KL/ MIS/209935/2021, 1896/EC1/2021/SEIAA | Oct 07, 2021 | Yes | Yes | http://www.seiaakerala.in/uploads/doc/373f52abc888c38849b69c77235b200d.pdf |
| TCS Siruseri New Tech Park SEZ is located at Egattur, Chennai, SIPCOT IT Park, Siruseri with built-up area of 3.2 Million sq. ft and with 20,000 no. of Employees. It is located at about 30 Kms from Chennai airport. | SEIAA-TN/F.No:7790/ EC/8(b)-770/20-21 dated 30.06.2021 | Jun 30, 2021 | Yes | Yes | http://environmentclearance.nic.in/writereaddata/FormB/EC/EC_Letter/07232021655485357790ec.pdf |

[81] GRI 304-1
[82] GRI 413-1, GRI 303-1

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format[83]:**

Yes, TCS has complied with applicable environmental law/regulations / guidelines applicable in India. No fine/penalty/action was initiated against the entity under any of the applicable environmental laws/regulation/guidelines.

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| | NA | NA | NA | NA |

**Leadership Indicators**

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

This information has been covered in Principle 6, Q1 of the Essential Indicators[84].

[83] GRI 2-27
[84] GRI 302-1

2. **Provide the following details related to water discharged[85]:**

| Parameter | | FY 2021-22 | FY 2020-21 |
|---|---|---|---|
| **Water discharge by destination and level of treatment (in kiloliters)** | | | |
| **(i)** | **To Surface water** | | |
| - | No treatment | 0 | 0 |
| - | With treatment – please specify level of Treatment | 0 | 0 |
| **(ii)** | **To Groundwater** | | |
| - | No treatment | 0 | 0 |
| - | With treatment – please specify level of Treatment | 0 | 0 |
| **(iii)** | **To Seawater** | | |
| - | No treatment | 0 | 0 |
| - | With treatment – please specify level of Treatment | 0 | 0 |
| **(iv)** | **Sent to third-parties** | | |
| - | No treatment<br>Note: Wastewater sent for municipal treatment | 19,216 | 17,565 |
| - | With treatment – please specify level of Treatment | | |
| a) | Treated at TCS facilities (Tertiary treatment) | 31,075 | 22,835 |
| b) | Sent to builder STP for treatment (Tertiary treatment) | 54,998 | 57,452 |
| (v) | Others | | |
| - | No treatment | 0 | 0 |
| - | With treatment – please specify level of Treatment | 0 | 0 |
| **Total water discharged (in kiloliters)** | | **105,289** | **97,851** |

Above data covers details pertaining to India geography only.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes. This data has been subject to independent assurance by Ernst & Young Associates LLP (EY).

3. **Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):**

**For each facility / plant located in areas of water stress, provide the following information[86]:**

This section covers details pertaining to India geography only

(i) **Name of the area** Data provided for 14 areas as per CGWB (Central Ground Water Board) in individual tabs

(ii) **Nature of operations** IT Services, Products and Platforms

(iii) **Water withdrawal, consumption and discharge in the following format:**

| Parameter | | FY 2021-22 | FY 2020-21 |
|---|---|---|---|
| **Water withdrawal by source (in kiloliters)** | | | |
| (i) | Surface water | 0 | 0 |
| (ii) | Groundwater | 0 | 0 |
| (iii) | Third party water | 531,427 | 526,066 |
| (iv) | Seawater / desalinated water | 0 | 0 |
| (v) | Others | 0 | 0 |
| **Total volume of water withdrawal (in kiloliters)** | | 531,427 | 526,066 |

[85] GRI 303-4

[86] GRI 303-3, 303-4

| Parameter | FY 2021-22 | FY 2020-21 |
|---|---|---|
| **Total volume of water consumption (in kiloliters)** | 520,733 | 516,889 |
| **Water intensity per rupee of turnover (Water consumed / turnover)** | 0.00000027 | 0.00000031 |
| **Water discharge by destination and level of treatment (in kiloliters)** | | |
| (i) Into Surface water | | |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| (ii) Into Groundwater | | |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| (iii) Into Seawater | | |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| (iv) Sent to third-parties | | |
| - No treatment<br>**Note:** Wastewater sent for municipal treatment | 7,622 | 6,145 |
| - With treatment–please specify level of treatment<br>Note: Tertiary treatment | 3,071 | 3,033 |
| (v) Others | | |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| **Total water discharged (in kiloliters)** | **10,694** | **9,178** |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. This data has been subject to independent assurance by Ernst & Young Associates LLP (EY).

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format[87]:**

| Parameter | Unit | FY 2021-22 | FY 2020-21 |
|---|---|---|---|
| **Total Scope 3 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 358,452 | 234,614 |
| Category 1 – Purchased goods & services | tCO2e | 12,020 | 13,184 |
| Category 2 – Capital goods | tCO2e | 111,290 | 128,230 |
| Category 3 Fuel and energy related activities (not included in Scope 1 or 2) | tCO2e | 52,415 | 60,022 |
| Category 4 – Upstream transportation and distribution | tCO2e | 7,542 | 9,030 |

[87] GRI 305-3; GRI 305-4

| Parameter | Unit | FY 2021-22 | FY 2020-21 |
|---|---|---|---|
| Category 5 – Waste generated in operations | tCO2e | 639 | 492 |
| Category 7 – Employee commuting (Work from home (WFH) emission is included in this category as per GHG protocol since both are pandemic years) | tCO2e | 139,504[88] | 135,667[89] |
| Category 6 – Business travel | tCO2e | 35,043 | 15,458 |
| **Total Scope 3 emissions per rupee of turnover** | tCO2e/INR | 0.00000019 | 0.00000022 |
| **Total Scope 3 emission intensity** (optional)[90] – the relevant metric may be selected by the entity | - | - | - |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes. This data has been subject to independent assurance by Ernst & Young Associates LLP (EY).

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities[91].**

[88] This includes WFH emissions of 131,761 tCO2e for FY22
[89] Recalculated the FY 2021 values by including WFH emissions (127,469 tCO2e)
[90] Not calculated the emission intensity per full time employee (FTE) during the pandemic years as very few employees were working out of offices.
[91] GRI 304-2; GRI 304-3

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1 | Chandaka Wildlife sanctuary authority has developed the trench followed by 5 feet wall with fencing along the border of the sanctuary so that the possibility of elephants crossing the trench is eliminated hence, any impact of TCS operations on wildlife is not expected. However, TCS has undertaken following initiatives:<br>• Minimizing light pollution around the wildlife sanctuary<br>• Internal initiatives within its campus towards biodiversity conservation and enhancement<br>• Internal initiatives towards water and waste management | • Installation of inward facing low intensity peripheral lights<br>• Plantation of native/ indigenous plants, medicinal and spice garden, butterfly garden<br>• Provision of organic waste technologies - Vermicomposting and organic waste converter<br>• Provision of rainwater harvesting structure and sewage treatment plant (STP) | • Inward direction peripheral lights of low intensity to avoid any impact on wildlife movement. High mast lights in TCS parking area are switched off after 11 pm.<br>• Protection of native/ medicinal, plant species as well as butterfly species.<br>• Garden and food waste vermicomposting and organic waste composting technology has been installed to generated organic manure and it is reused for landscaping.<br>• 100% treatment and recycling of wastewater inside the premises.<br>• Groundwater recharging pits for enriching the water table. |

As a proactive initiative, TCS has included 'Urban Biodiversity' conservation as an integral part of TCS Environmental Policy and its long-term plan for sustainable development. Biodiversity action plan is implemented across

19 TCS campuses in India to conserve and enhance urban biodiversity. Biodiversity mapping for various flora and fauna species is conducted on an annual basis. TCS campuses across India are home to over 600 flora species and 180+ fauna species. 10 species of IUCN category trees i.e., Endemic, Endangered, Threatened, Vulnerable and Rare species, are protected within TCS campuses.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1 | HVAC energy efficiency projects | Aged / inefficient air conditioners upgraded with BEE star rated equipment | 1,374,439 kWh energy savings |
| 2 | UPS based energy efficiency projects | UPS resizing / consolidation/ upgrades of old UPSs with Modular UPS /Energy efficient UPS | 1,681,454 kWh energy savings |
| 3 | Roof top solar projects | Completed the roof top solar projects in Adi Balta (2,154 kWp) in Nov 21 and TCS center (207 kWp) Kochi in Oct 21 | 1,030,766 kWh generation through solar roof top |

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

TCS has a well-established business continuity and disaster management framework that is fully aligned to ISO 22301:2019, CMMI-SVC and is integrated with other quality management systems for consistent deployment across the organization. The function is governed by a trained pool of subject matter experts (Crisis Management Leaders) at various levels of the organization ensuring upkeep of business continuity plans, planning and executing drills to achieve seamless resumption, in case of any disruption. The entire process is integrated with other business processes through in-house developed tools that support planning and communication with all stakeholders.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard[92].**

No significant adverse impact envisaged from TCS' value chain.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts[93].**

100% of the value chain partners were assessed for environmental impacts.

[92] GRI 308-2
[93] GRI 308-1, GRI 308-2

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. **Number of affiliations with trade and industry chambers/ associations[94]**

   **Ans.** 10 in India. In addition, TCS also works through some of the bilateral/ multilateral international chambers based out of India.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to[95]**

| Sr. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1 | NASSCOM | National |
| 2 | Confederation of Indian Industry (CII) | National |
| 3 | Federation of Indian Chambers of Commerce & Industry (FICCI) | National |
| 4 | ASSOCHAM | National |
| 5 | Public Affairs Forum of India | National |
| 6 | The Institute of Management Consultants of India | National |
| 7 | British Business Promotion Association | International |
| 8 | Indo American Chamber of Commerce | National |
| 9 | All India Management Association | National |
| 10 | Indo-Belgian-Luxembourg Chamber of Commerce and Industry | International |

[94] GRI 2-28
[95] GRI 2-28

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| Not Applicable (No adverse order received in last Financial Year) | | |

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.[96]**

| Name and brief details of project | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant web link |
|---|---|---|---|
| Tata Translational Cancer Research Centre (TTCRC) - Setting up a cancer R&D centre at Tata Medical Cancer, Kolkata, where researchers are working together for developing/ enhancing personalized solutions for cancer patients. | Yes | Yes | https://on.tcs.com/IAR |

[96] 413-1

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   Not applicable

3. **Describe the mechanisms to receive and redress grievances of the community[97].**

   All agreements between TCS and the stakeholders, contain clauses on handling of grievances, disputes etc. Additionally, TCS' Regional Leaders are connected at the ground level and provide feedback for implementation if any. Post program implementation, surveys and questionnaires capture the feedback which is duly implemented.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers[98]:**

| | FY 2021-22 | FY 2020-21 |
|---|---|---|
| Directly sourced from MSMEs / small producers | - | - |
| Sourced directly from within the district and neighboring districts | - | - |

**Note:**

- The periodic exercise to validate the MSME status of existing vendors in the empaneled list is currently underway. This data will be available from the next reporting year.

[97] GRI 2-25, GRI 413-1
[98] GRI 204-1

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback[99].**

   TCS' customers are provided with multiple mechanisms to report complaints or feedback.

   For privacy specific complaints, they can also raise incidents with TCS' Data Protection or Privacy Officers. The contact details of the data protection and privacy officers is available in TCS website at https://www.tcs.com/privacy-policy or as otherwise notified to the customers from time to time.

   Each customer concern is addressed with utmost care at all levels. TCS teams acknowledge, analyze the incidents and develop an action plan to resolve it. The team engages with the customer, to validate the action plan and regularly updates customers about the progress of action taken. Any feedback from the customer is taken positively and action plans are refined to ensure utmost customer satisfaction.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

   Not Applicable

| | As a % to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | NA |
| Safe and responsible usage | NA |
| Recycling and / or safe disposal | NA |

[99] GRI 2-25

3. **Number of consumer complaints in respect of the following:**

| | FY 2021-22 | | Remarks | FY 2020-21 | | Remarks |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | 6 | 2 | TCS treats Customers as consumers; The breaches as confirmed by customer was due to accidental data sharing with unintended recipients | 13 | 0 | TCS treats Customers as consumers; The breaches as confirmed by customer was due to accidental data sharing with unintended recipients |
| Advertising | NA | NA | NA | NA | NA | NA |
| Cyber-security | NIL | NIL | NIL | NIL | NIL | NIL |
| Delivery of essential services | NA | NA | NA | NA | NA | NA |
| Restrictive Trade Practices | NA | NA | NA | NA | NA | NA |
| Unfair Trade Practices | NA | NA | NA | NA | NA | NA |

4. **Details of instances of product recalls on account of safety issues:**

   Not applicable as TCS does not have any products that can entail safety issues

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy[100].**

   Yes.

   From data privacy aspects, TCS' commitment to privacy is espoused in its TCS Global Privacy Policy. This is accessible at https://www.tcs.com/privacy-policy-commitment.

   TCS has defined and implemented a Global Privacy policy that is applicable to all its legal entities, branches, lines of businesses and functions. The global privacy policy is a "gold standard of privacy" addressing applicable privacy regulations and based on inputs from industry bodies dealing with privacy.

[100] GRI 2-23

The Global Privacy policy covers all stakeholders across the value chain including – employees (full-time and contracted), customers, partners, vendors/suppliers, and any other stakeholder whose Personal Data is processed. All third parties (vendors/suppliers) are engaged / contracted with adequate due diligence, and commitment towards privacy obligations.

From a cyber security aspect, TCS has implemented cutting edge security tools to protect itself from external as well as internal threats.

TCS has moved to a proactive early detection approach. Any approach to protect an organization from threats, needs to focus on all the risks and learnings from various attacks, understanding the modus operandi of the attacker and ensure that adequate processes and latest in technology are implemented to protect and provide proactive detection capabilities. TCS has implemented a comprehensive threat intelligence framework to proactively identify external threats as they unfold globally, be it a ransomware propagation, a nation state actor group, attackers for purely monetary gain etc. The threat intelligence framework includes gathering intel on external threats by means of commercial, government, open source and vendor security feeds, threat hunting in dark web, analyse new attack patterns and constantly monitoring the publication of vulnerabilities or various tools and software in use in the organization. The threat intel information is processed in TCS' AI/ML based correlation tools and automated scripts ensure that the indicators of compromise from the threat feeds are automictically blocked on the perimeter devices.

TCS has also rearchitected its network and has implemented tools in tandem to work in a defence in depth model to provide a holistic protection against threat vectors/actors. The defence in depth model has a strong multi-layered perimeter setup consisting of Next Gen Firewalls, Intrusion Prevention Systems, DDoS attack protection for critical resources, Web Application Firewalls, Advanced malware protection and other email gateway security controls. TCS network design is compartmentalized for every customer and critical resources to ensure that the services provided to each customer remains isolated. This network design ensures that if there is an impact at one customer end, say a ransomware attack on a customer network, the segregated network along with the company's incident response process ensures that there is no impact to other network segments.

In addition to the perimeter defences, TCS has implemented technical controls and processes within the network to protect the information resources. Tools based on machine learning that can detect and prevent known and unknown ransomware, malware and active intruder attempts to exploit like lateral movement, privilege escalation or credential dumping in addition to many other malicious actions. AI/ML tools that can detect behaviour anomalies of users. Tools that can correlate audit logs from various sources. Alerts from these tools are monitored 24x7x365 by the TCS Cyber Security Operations Center.

TCS has also implanted a strong vulnerability management program which includes proactively identifying vulnerabilities in its network and systems by conducting periodic vulnerability assessments, penetration tests and red team exercises.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Please refer to the answer to Q.5 above. All the initiatives explained above has ensured that TCS did not have any incidents leading to regulatory issues / penalties.

**Leadership Indicators**

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   www.tcs.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Not applicable, as TCS does not have any products/services that can entail safety issues or a usage abuse.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Each customer relationship in TCS has a business continuity mechanism to handle any disruption of services/products and a suitable communication plan.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Not Applicable

5. **Provide the following information relating to data breaches:**

   **Number of instances of data breaches along-with impact :** As a data fiduciary, TCS has not had any data breach incidents in FY 2022.

   a. **Percentage of data breaches involving personally ide3ntifiable information of customers :** 0%

# Consolidated Financial Statements





**To the Members of**
**Tata Consultancy Services Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Tata Consultancy Services Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Description of Key Audit Matter

| The Key audit matter | How the matter was addressed in our audit |
|---|---|
| **Revenue recognition– Fixed price contracts** | |
| The Group inter alia engages in Fixed-price contracts, wherein, revenue is recognized using the percentage of completion computed as per the input method based on the Group's estimate of contract costs (Refer Note 5(a) and Note 12 to the consolidated financial statements).<br><br>We identified revenue recognition of fixed price contracts where the percentage of completion is used as a Key Audit Matter since –<br><br>• there is an inherent risk and presumed fraud risk around the accuracy and existence of revenues recognised considering the customised and complex nature of these contracts and significant inputs of IT systems;<br><br>• application of revenue recognition accounting standard (Ind AS 115, Revenue from Contracts with customers) is complex and involves a number of key judgments and estimates in mainly identifying performance obligations, related transaction price and estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation;<br><br>• these contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Group; and<br><br>• at year-end, significant amount of work in progress (Contract assets), related to these contracts are recognised on the balance sheet. | Our audit procedures included the following:<br><br>• Obtained an understanding of the systems, processes and controls implemented by the Group for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances.<br><br>• Including involvement of our Information technology ('IT') specialists, as required:<br><br>➢ Assessed the IT environment in which the business systems operate and tested system controls over computation of revenue recognised;<br><br>➢ Tested the IT controls over appropriateness of cost and revenue reports generated by the system;<br><br>➢ Tested the controls pertaining to allocation of resources and budgeting systems which prevent the unauthorized recording/changes to costs incurred; and<br><br>➢ Tested on a random sampling basis the controls relating to the estimation of contract costs required to complete the respective projects.<br><br>• On selected specific and statistical samples of contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard including –<br><br>➢ Evaluated the identification of performance obligations and the ascribed transaction price;<br><br>➢ For testing the Group's computation of the estimation of contract costs and onerous obligations, if any. We:<br><br>• assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management personnel;<br><br>• performed a retrospective analysis of costs incurred with estimated costs to identify significant variations and challenged whether those variations are required to be considered in estimating the remaining costs to complete the contract;<br><br>• assessed the appropriateness of work in progress (contract assets) on balance sheet date by evaluating the underlying documentation to identify possible changes in estimated costs to complete the remaining performance obligations; and<br><br>• inspected underlying documents and performed analytics to determine reasonableness of contract costs. |

## Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each Company.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue

an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other Companies included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that :

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31 March 2022, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies

incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.

B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 20 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Holding Company and its subsidiary companies incorporated in India are in compliance with section 123 of the Act.

C. With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154
UDIN: 22060154AGVFFO1633

Mumbai
11 April 2022

## Annexure A to the Independent Auditor's report on the consolidated financial statements of Tata Consultancy Services Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us, in respect of the following companies incorporated in India and included in the consolidated financial statements, the CARO report relating to them has not been issued by their auditors till the date of this audit report:

| Name of the entities | CIN | Subsidiary |
|---|---|---|
| MP Online Limited | U72400MP2006PLC018777 | Subsidiary |
| APT Online Limited | U75142TG2002PLC039671 | Subsidiary |
| C-Edge Technologies Limited | U72900MH2006PLC159038 | Subsidiary |
| Mahaonline Limited | U72900MH2010PLC206026 | Subsidiary |
| TCS e-Serve International Limited | L22210MH1995PLC084781 | Subsidiary |

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154
UDIN: 22060154AGVFFO1633

Mumbai
11 April 2022

## Annexure B to the Independent Auditors' Report on the consolidated financial statements of Tata Consultancy Services Limited for the year ended 31 March 2022

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Opinion

In conjunction with our audit of the consolidated financial statements of Tata Consultancy Services Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating

effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154
UDIN: 22060154AGVFFO1633

Mumbai
11 April 2022

## Consolidated Balance Sheet

(₹ crore)

| | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 10(a) | 10,774 | 11,110 |
| Capital work-in-progress | 10(a) | 1,205 | 926 |
| Right-of-use assets | 9 | 7,636 | 7,633 |
| Goodwill | 10(b) | 1,787 | 1,798 |
| Other intangible assets | 10(c) | 1,101 | 480 |
| Financial assets | | | |
| Investments | 8(a) | 223 | 213 |
| Trade receivables | | | |
| Billed | 8(b) | 145 | 55 |
| Unbilled | | 55 | 273 |
| Loans | 8(e) | 311 | 29 |
| Other financial assets | 8(f) | 2,253 | 1,573 |
| Income tax assets (net) | | 1,983 | 1,845 |
| Deferred tax assets (net) | 17 | 3,708 | 3,931 |
| Other assets | 10(d) | 2,023 | 1,613 |
| **Total non-current assets** | | **33,204** | **31,479** |
| **Current assets** | | | |
| Inventories | 10(e) | 20 | 8 |
| Financial assets | | | |
| Investments | 8(a) | 30,262 | 29,160 |
| Trade receivables | | | |
| Billed | 8(b) | 34,074 | 30,079 |
| Unbilled | | 7,736 | 6,583 |
| Cash and cash equivalents | 8(c) | 12,488 | 6,858 |
| Other balances with banks | 8(d) | 5,733 | 2,471 |
| Loans | 8(e) | 6,445 | 11,472 |
| Other financial assets | 8(f) | 1,390 | 1,394 |
| Income tax assets (net) | | 11 | 19 |
| Other assets | 10(d) | 10,151 | 11,236 |
| **Total current assets** | | **1,08,310** | **99,280** |
| **TOTAL ASSETS** | | **1,41,514** | **1,30,759** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 8(m) | 366 | 370 |
| Other equity | 11 | 88,773 | 86,063 |
| **Equity attributable to shareholders of the Company** | | **89,139** | **86,433** |
| Non-controlling interests | | 707 | 675 |
| **Total equity** | | **89,846** | **87,108** |

## Consolidated Balance Sheet

(₹ crore)

| | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Lease liabilities | | 6,368 | 6,503 |
| Other financial liabilities | 8(h) | 572 | 280 |
| Employee benefit obligations | 14 | 677 | 749 |
| Deferred tax liabilities (net) | 17 | 590 | 767 |
| Unearned and deferred revenue | | 1,110 | 1,197 |
| **Total non-current liabilities** | | **9,317** | **9,496** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Lease liabilities | | 1,450 | 1,292 |
| Trade payables | 8(g) | 8,045 | 7,860 |
| Other financial liabilities | 8(h) | 7,687 | 6,150 |
| Unearned and deferred revenue | | 3,635 | 3,650 |
| Other liabilities | 10(f) | 8,392 | 4,068 |
| Provisions | 10(g) | 1,411 | 1,394 |
| Employee benefit obligations | 14 | 3,810 | 3,498 |
| Income tax liabilities (net) | | 7,921 | 6,243 |
| **Total current liabilities** | | **42,351** | **34,155** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,41,514** | **1,30,759** |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's registration no:
101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154

*Mumbai, April 11, 2022*

For and on behalf of the Board

**Rajesh Gopinathan**
*CEO and Managing Director*

**N Ganapathy Subramaniam**
*COO and Executive Director*

**Samir Seksaria**
*CFO*

**Pradeep Manohar Gaitonde**
*Company Secretary*

*Mumbai, April 11, 2022*

## Consolidated Statement of Profit and Loss

(₹ crore)

| | Note | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Revenue from operations | 12 | 1,91,754 | 1,64,177 |
| Other income | 13 | 4,018 | 3,134 |
| **TOTAL INCOME** | | **1,95,772** | **1,67,311** |
| **Expenses** | | | |
| Employee benefit expenses | 14 | 1,07,554 | 91,814 |
| Cost of equipment and software licences | 15(a) | 1,163 | 1,462 |
| Finance costs | 16 | 784 | 637 |
| Depreciation and amortisation expense | | 4,604 | 4,065 |
| Other expenses | 15(b) | 29,980 | 24,355 |
| **TOTAL EXPENSES** | | **1,44,085** | **1,22,333** |
| **PROFIT BEFORE EXCEPTIONAL ITEM AND TAX** | | **51,687** | **44,978** |
| **Exceptional item** | | | |
| Provision towards legal claim | 20 | - | 1,218 |
| **PROFIT BEFORE TAX** | | **51,687** | **43,760** |
| **Tax expense** | | | |
| Current tax | 17 | 13,654 | 11,635 |
| Deferred tax | 17 | (416) | (437) |
| **TOTAL TAX EXPENSE** | | **13,238** | **11,198** |
| **PROFIT FOR THE YEAR** | | **38,449** | **32,562** |

(₹ crore)

| | Note | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| **OTHER COMPREHENSIVE INCOME (OCI)** | | | |
| **Items that will not be reclassified subsequently to profit or loss** | | | |
| Remeasurement of defined employee benefit plans | | 261 | (82) |
| Net change in fair values of investments in equity shares carried at fair value through OCI | | (4) | (2) |
| **Income tax on items that will not be reclassified subsequently to profit or loss** | | 19 | 11 |
| **Items that will be reclassified subsequently to profit or loss** | | | |
| Net change in fair values of investments other than equity shares carried at fair value through OCI | | (516) | 51 |
| Net change in intrinsic value of derivatives designated as cash flow hedges | | (37) | 14 |
| Net change in time value of derivatives designated as cash flow hedges | | (34) | 53 |
| Exchange differences on translation of financial statements of foreign operations | | 20 | 448 |
| **Income tax on items that will be reclassified subsequently to profit or loss** | | 196 | (32) |
| **TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)** | | **(95)** | **461** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **38,354** | **33,023** |

## Consolidated Statement of Profit and Loss

(₹ crore)

| | Note | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| **Profit for the year attributable to:** | | | |
| Shareholders of the Company | | 38,327 | 32,430 |
| Non-controlling interests | | 122 | 132 |
| | | **38,449** | **32,562** |
| **Other comprehensive income for the year attributable to:** | | | |
| Shareholders of the Company | | (63) | 484 |
| Non-controlling interests | | (32) | (23) |
| | | **(95)** | **461** |
| **Total comprehensive income for the year attributable to:** | | | |
| Shareholders of the Company | | 38,264 | 32,914 |
| Non-controlling interests | | 90 | 109 |
| | | **38,354** | **33,023** |
| **Earnings per equity share:- Basic and diluted (₹)** | 18 | 103.62 | 86.71 |
| Weighted average number of equity shares | | 369,88,32,195 | 374,01,10,733 |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's registration no:
101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154

*Mumbai, April 11, 2022*

For and on behalf of the Board

**Rajesh Gopinathan**
*CEO and Managing Director*

**N Ganapathy Subramaniam**
*COO and Executive Director*

**Samir Seksaria**
*CFO*

**Pradeep Manohar Gaitonde**
*Company Secretary*

*Mumbai, April 11, 2022*

## Consolidated Statement of Changes in Equity

### A. EQUITY SHARE CAPITAL

(₹ crore)

| Balance as at April 1, 2021 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2021 | Changes in equity share capital during the year* | Balance as at March 31, 2022 |
|---|---|---|---|---|
| 370 | - | 370 | (4) | 366 |

(₹ crore)

| Balance as at April 1, 2020 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2020 | Changes in equity share capital during the year* | Balance as at March 31, 2021 |
|---|---|---|---|---|
| 375 | - | 375 | (5) | 370 |

*Refer Note 8(m).

### B. OTHER EQUITY

(₹ crore)

| | Reserves and surplus | | | | | | Items of other comprehensive income | | | | Equity attributable to shareholders of the Company | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Capital redemption reserve | General reserve | Special Economic Zone re-investment reserve | Retained earnings | Statutory reserve | Investment revaluation reserve | Cash flow hedging reserve | | Foreign currency translation reserve | | | |
| | | | | | | | | Intrinsic value | Time value | | | | |
| **Balance as at April 1, 2021** | **75** | **436** | **27** | **2,538** | **79,586** | **407** | **828** | **56** | **(27)** | **2,137** | **86,063** | **675** | **86,738** |
| Profit for the year | - | - | - | - | 38,327 | - | - | - | - | - | 38,327 | 122 | 38,449 |
| Other comprehensive income / (losses) | - | - | - | - | 280 | - | (340) | (29) | (26) | 52 | (63) | (32) | (95) |
| **Total comprehensive income** | **-** | **-** | **-** | **-** | **38,607** | **-** | **(340)** | **(29)** | **(26)** | **52** | **38,264** | **90** | **38,354** |
| Dividend | - | - | - | - | (13,317) | - | - | - | - | - | (13,317) | (58) | (13,375) |
| Expenses for buy-back of equity shares[1] | - | - | - | - | (49) | - | - | - | - | - | (49) | - | (49) |
| Tax on buy-back of equity shares[1] | - | - | - | - | (4,192) | - | - | - | - | - | (4,192) | - | (4,192) |
| Buy-back of equity shares[1] | - | 4 | - | - | (18,000) | - | - | - | - | - | (17,996) | - | (17,996) |
| Transfer to Special Economic Zone re-investment reserve | - | - | - | 9,407 | (9,407) | - | - | - | - | - | - | - | - |
| Transfer from Special Economic Zone re-investment reserve | - | - | - | (4,658) | 4,658 | - | - | - | - | - | - | - | - |
| Transfer to reserves | - | - | (27) | - | 272 | (245) | - | - | - | - | - | - | - |
| **Balance as at March 31, 2022** | **75** | **440** | **-** | **7,287** | **78,158** | **162** | **488** | **27** | **(53)** | **2,189** | **88,773** | **707** | **89,480** |

## Consolidated Statement of Changes in Equity

(₹ crore)

| | Reserves and surplus | | | | | | Items of other comprehensive income | | | | Equity attributable to shareholders of the Company | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Capital redemption reserve | General reserve | Special Economic Zone re-investment reserve | Retained earnings | Statutory reserve | Investment revaluation reserve | Cash flow hedging reserve | | Foreign currency translation reserve | | | |
| | | | | | | | | Intrinsic value | Time value | | | | |
| **Balance as at April 1, 2020** | **75** | **431** | **27** | **1,594** | **78,810** | **375** | **796** | **45** | **(68)** | **1,666** | **83,751** | **623** | **84,374** |
| Profit for the year | - | - | - | - | 32,430 | - | - | - | - | - | 32,430 | 132 | 32,562 |
| Other comprehensive income / (losses) | - | - | - | - | (71) | - | 32 | 11 | 41 | 471 | 484 | (23) | 461 |
| **Total comprehensive income** | **-** | **-** | **-** | **-** | **32,359** | **-** | **32** | **11** | **41** | **471** | **32,914** | **109** | **33,023** |
| Dividend | - | - | - | - | (10,850) | - | - | - | - | - | (10,850) | (57) | (10,907) |
| Expenses for buy-back of equity shares[1] | - | - | - | - | (31) | - | - | - | - | - | (31) | - | (31) |
| Tax on liability towards buy-back of equity shares[1] | - | - | - | - | (3,726) | - | - | - | - | - | (3,726) | - | (3,726) |
| Buy-back of equity shares[1] | - | 5 | - | - | (16,000) | - | - | - | - | - | (15,995) | - | (15,995) |
| Transfer to Special Economic Zone re-investment reserve | - | - | - | 5,058 | (5,058) | - | - | - | - | - | - | - | - |
| Transfer from Special Economic Zone re-investment reserve | - | - | - | (4,114) | 4,114 | - | - | - | - | - | - | - | - |
| Transfer to reserves | - | - | - | - | (32) | 32 | - | - | - | - | - | - | - |
| **Balance as at March 31, 2021** | **75** | **436** | **27** | **2,538** | **79,586** | **407** | **828** | **56** | **(27)** | **2,137** | **86,063** | **675** | **86,738** |

[1]Refer note 8(m).

Gain of ₹280 crore and loss of ₹71 crore on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended March 31, 2022 and 2021, respectively.

Total equity (primarily retained earnings) includes ₹1,759 crore and ₹1,366 crore as at March 31, 2022 and 2021, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

## Nature and purpose of reserves

**(a) Capital reserve**

The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

**(b) Capital redemption reserve**

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

**(c) General reserve**

The general reserve is a free reserve which is used from time to time to transfer profits from / to retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

**(d) Special Economic Zone re-investment reserve**

The Special Economic Zone (SEZ) re-investment reserve is created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve will be utilised by the Group for acquiring new assets for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961.

**(e) Retained earnings**

This reserve represents undistributed accumulated earnings of the Group as on the balance sheet date.

**(f) Statutory reserve**

Statutory reserves are created to adhere to requirements of applicable laws and will be utilised in accordance with the said laws.

**(g) Investment revaluation reserve**

This reserve represents the cumulative gains and losses arising on the revaluation of equity and debt instruments on the balance sheet date measured at fair value through other comprehensive income. The reserves accumulated will be reclassified to retained earnings and profit and loss respectively, when such instruments are disposed.

**(h) Cash flow hedging reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

**(i) Foreign currency translation reserve**

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's registration no:
101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154

*Mumbai, April 11, 2022*

For and on behalf of the Board

**Rajesh Gopinathan**
*CEO and Managing Director*

**N Ganapathy Subramaniam**
*COO and Executive Director*

**Samir Seksaria**
*CFO*

**Pradeep Manohar Gaitonde**
*Company Secretary*

*Mumbai, April 11, 2022*

## Consolidated Statement of Cash Flows

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| **Profit for the year** | 38,449 | 32,562 |
| **Adjustments for:** | | |
| Depreciation and amortisation expense | 4,604 | 4,065 |
| Bad debts and advances written off, allowance for doubtful trade receivables and advances (net) | 135 | 201 |
| Provision towards legal claim (Refer note 20) | - | 1,218 |
| Tax expense | 13,238 | 11,198 |
| Net gain on lease modification | (7) | (100) |
| Net loss on sub-lease | 9 | - |
| Unrealised foreign exchange gain | (120) | (21) |
| Net gain on disposal of property, plant and equipment | (23) | (13) |
| Net gain on disposal / fair valuation of investments | (198) | (204) |
| Interest income | (2,663) | (2,504) |
| Dividend income | (4) | (8) |
| Finance costs | 784 | 637 |
| **Operating profit before working capital changes** | **54,204** | **47,031** |
| **Net change in** | | |
| Inventories | (12) | (3) |
| Trade receivables | | |
| Billed | (4,210) | 1,260 |
| Unbilled | (934) | (201) |
| Loans and other financial assets | (116) | (17) |
| Other assets | 807 | (2,805) |
| Trade payables | 186 | (93) |
| Unearned and deferred revenue | (103) | 1,091 |
| Other financial liabilities | 1,153 | 122 |
| Other liabilities and provisions | 460 | 1,509 |
| **Cash generated from operations** | **51,435** | **47,894** |
| Taxes paid (net of refunds) | (11,486) | (9,092) |
| **Net cash generated from operating activities** | **39,949** | **38,802** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Bank deposits placed | (15,947) | (6,605) |
| Inter-corporate deposits placed | (14,619) | (21,076) |
| Purchase of investments# | (75,374) | (54,462) |
| Payment for purchase of property, plant and equipment | (2,483) | (2,719) |
| Payment including advances for acquiring right-of-use assets | (15) | (101) |
| Payment for purchase of intangible assets | (497) | (356) |
| Proceeds from bank deposits | 11,950 | 4,767 |
| Proceeds from inter-corporate deposits | 19,498 | 18,018 |
| Proceeds from disposal / redemption of investments# | 73,852 | 51,630 |
| Proceeds from sub-lease receivable | 3 | - |
| Proceeds from disposal of property, plant and equipment | 31 | 37 |
| Interest received | 2,700 | 2,730 |
| Dividend received | 4 | 8 |
| **Net cash used in investing activities** | **(897)** | **(8,129)** |

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Repayment of lease liabilities | (1,417) | (1,336) |
| Interest paid | (698) | (634) |
| Dividend paid | (13,317) | (10,850) |
| Dividend paid to non-controlling interests | (58) | (57) |
| Transfer of funds to buy-back escrow account | (180) | (160) |
| Transfer of funds from buy-back escrow account | 162 | 160 |
| Expenses for buy-back of equity shares (Refer note 8(m)) | (49) | (31) |
| Tax on buy-back of equity shares (Refer note 8(m)) | - | (3,726) |
| Buy-back of equity shares (Refer note 8(m)) | (18,000) | (16,000) |
| Advance towards purchase of non-controlling interests | (24) | - |
| **Net cash used in financing activities** | **(33,581)** | **(32,634)** |
| **Net change in cash and cash equivalents** | **5,471** | **(1,961)** |
| Cash and cash equivalents at the beginning of the year | 6,858 | 8,646 |
| Exchange difference on translation of foreign currency cash and cash equivalents | 159 | 173 |
| **Cash and cash equivalents at the end of the year** | **12,488** | **6,858** |

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Components of cash and cash equivalents** | | |
| **Balances with banks** | | |
| In current accounts | 2,211 | 5,266 |
| In deposit accounts | 10,277 | 1,586 |
| Cheques on hand | -* | -* |
| Cash on hand | -* | 1 |
| Remittances in transit | -* | 5 |
| | **12,488** | **6,858** |

*Represents value less than ₹0.50 crore.

#Purchase of investments include ₹17 crore and ₹172 crore for the years ended March 31, 2022 and 2021, respectively, and proceeds from disposal / redemption of investments include ₹87 crore and ₹104 crore for the years ended March 31, 2022 and 2021, respectively, held by trusts and TCS Foundation held for specified purposes.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's registration no:
101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154

*Mumbai, April 11, 2022*

For and on behalf of the Board

**Rajesh Gopinathan**
*CEO and Managing Director*

**N Ganapathy Subramaniam**
*COO and Executive Director*

**Samir Seksaria**
*CFO*

**Pradeep Manohar Gaitonde**
*Company Secretary*

*Mumbai, April 11, 2022*

## 1) Corporate information

Tata Consultancy Services Limited ("the Company") and its subsidiaries (collectively together with employee welfare trusts referred to as "the Group") provide IT services, consulting and business solutions and have been partnering with many of the world's largest businesses in their transformation journeys. The Group offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model recognised as a benchmark of excellence in software development.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai - 400001. As at March 31, 2022, Tata Sons Private Limited, the holding company owned 72.27% of the Company's equity share capital.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2022 and authorised for issue on April 11, 2022.

## 2) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

## 3) Basis of preparation

These consolidated financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (₹). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the consolidated financial statements have been discussed in the respective notes.

## 4) Basis of consolidation

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The financial statements of the Group companies are consolidated on a line-by-line basis and all inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity. When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to statement of profit and loss as part of the gain or loss on disposal.

## 5) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of consolidated financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Group uses the following critical accounting estimates in preparation of its consolidated financial statements:

### (a) Revenue recognition

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine degree of completion of the performance obligation.

### (b) Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**(c) Impairment of goodwill**

The Group estimates the value-in-use of the cash generating units (CGUs) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rates used for the CGUs represent the weighted average cost of capital based on the historical market returns of comparable companies.

**(d) Fair value measurement of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(e) Provision for income tax and deferred tax assets**

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

**(f) Provisions and contingent liabilities**

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

**(g) Employee benefits**

The accounting of employee benefit plans in the nature of defined benefit requires the Group to use assumptions. These assumptions have been explained under employee benefits note.

**(h) Leases**

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if

the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**(i) Impact of COVID-19 (pandemic)**

The Group has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these consolidated financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19.

**6) Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples

would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

## 7) Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders' equity.

## 8) Financial assets, financial liabilities and equity instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

**Cash and cash equivalents**

The Group considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value 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 assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

**Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

**Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received net of direct issue cost.

**Derivative accounting**

- **Instruments in hedging relationship**

  The Group designates certain foreign exchange forward, currency options and futures contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

  The Group uses hedging instruments that are governed by the policies of the Company and its subsidiaries which are approved by their respective Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company and its subsidiaries.

  The hedge instruments are designated and documented as hedges at the inception of the contract. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer

expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve.

The Group separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the intrinsic value and time value of an option is recognised in the other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects profit and loss. Any gain or loss is recognised immediately in the statement of profit and loss when the hedge becomes ineffective.

- **Instruments not in hedging relationship**

  The Group enters into contracts that are effective as hedges from an economic perspective, but they do not qualify for hedge accounting. The change in the fair value of such instrument is recognised in the statement of profit and loss.

**Impairment of financial assets (other than at fair value)**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## (a) Investments

Investments consist of the following:

### Investments – Non-current

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Investments designated at fair value through OCI** | | |
| Fully paid equity shares (unquoted) | | |
| Mozido LLC | 76 | 73 |
| FCM LLC | 57 | 55 |
| Taj Air Limited | 19 | 19 |
| Philippine Dealing System Holdings Corporation | 7 | 7 |
| Less: Impairment in value of investments | (123) | (116) |
| **Investments carried at amortised cost** | | |
| Government bonds and securities (quoted) | 187 | 165 |
| Corporate bonds (quoted) | - | 10 |
| | **223** | **213** |

Investments – Non-current includes ₹187 crore and ₹175 crore as at March 31, 2022 and 2021, respectively, pertains to trusts held for specified purposes.

### Investments – Current

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Investments carried at fair value through profit or loss** | | |
| Mutual fund units (quoted) | 1,874 | 4,904 |
| **Investments carried at fair value through OCI** | | |
| Government bonds and securities (quoted) | 25,667 | 23,670 |
| Corporate bonds (quoted) | 1,242 | 450 |
| **Investments carried at amortised cost** | | |
| Certificate of deposits (quoted) | 99 | - |
| Corporate bonds (quoted) | 10 | - |
| Commercial papers (quoted) | 381 | 136 |
| Treasury bills (quoted) | 989 | - |
| | **30,262** | **29,160** |

Investments – Current includes ₹100 crore and ₹166 crore as at March 31, 2022 and 2021, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Government bonds and securities includes bonds pledged with bank for credit facility and with manager to the buy-back amounting to ₹3,560 crore and ₹1,650 crore as at March 31, 2022 and 2021, respectively.

Aggregate value of quoted and unquoted investments is as follows:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Aggregate value of quoted investments | 30,449 | 29,335 |
| Aggregate value of unquoted investments (net of impairment) | 36 | 38 |
| Aggregate market value of quoted investments | 30,455 | 29,356 |
| Aggregate value of impairment of investments | 123 | 116 |

Market value of quoted investments carried at amortised cost is as follows:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Government bonds and securities | 192 | 186 |
| Certificate of deposits | 99 | - |
| Corporate bonds | 10 | 10 |
| Commercial papers | 381 | 136 |
| Treasury bills | 990 | - |

Equity instruments designated at fair value through OCI are as follows:

(₹ crore)

| In Numbers | Currency | Face value per share | Equity instruments designated at fair value through OCI | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|---|
| | | | **Fully paid equity shares (unquoted)** | | |
| 1,00,00,000 | USD | 1 | Mozido LLC | 76 | 73 |
| 15 | USD | 5,00,000 | FCM LLC | 57 | 55 |
| 1,90,00,000 | INR | 10 | Taj Air Limited | 19 | 19 |
| 5,00,000 | PHP | 100 | Philippine Dealing System Holdings Corporation | 7 | 7 |
| | | | Less: Impairment in value of investments | (123) | (116) |
| | | | | **36** | **38** |

The movement in fair value of investments carried / designated at fair value through OCI is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **828** | **796** |
| Net loss arising on revaluation of financial assets carried at fair value | (4) | (2) |
| Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income | (516) | 51 |
| Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income | 180 | (17) |
| **Balance at the end of the year** | **488** | **828** |

## (b) Trade receivables - Billed

Trade receivables - Billed (unsecured) consist of the following:

**Trade receivables - Billed – Non-current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Trade receivables - Billed | 1,013 | 787 |
| Less: Allowance for doubtful trade receivables - Billed | (868) | (732) |
| **Considered good** | **145** | **55** |

Ageing for trade receivables – non-current outstanding as at March 31, 2022 is as follows:

(₹ crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade receivables - Billed** | | | | | | | |
| Undisputed trade receivables – considered good | - | - | 12 | 123 | 247 | 615 | 997 |
| Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivables – considered good | - | - | - | - | - | 16 | 16 |
| Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| | **-** | **-** | **12** | **123** | **247** | **631** | **1,013** |
| **Less: Allowance for doubtful trade receivables - Billed** | | | | | | | **(868)** |
| | | | | | | | **145** |
| **Trade receivables - Unbilled** | | | | | | | **55** |
| | | | | | | | **200** |

Ageing for trade receivables – non-current outstanding as at March 31, 2021 is as follows:

(₹ crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade receivables - Billed** | | | | | | | |
| Undisputed trade receivables – considered good | - | - | 16 | 154 | 86 | 515 | 771 |
| Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivables – considered good | - | - | - | - | - | 16 | 16 |
| Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| | **-** | **-** | **16** | **154** | **86** | **531** | **787** |
| **Less: Allowance for doubtful trade receivables - Billed** | | | | | | | **(732)** |
| | | | | | | | **55** |
| **Trade receivables - Unbilled** | | | | | | | **273** |
| | | | | | | | **328** |

**Trade receivables - Billed – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Trade receivables - Billed | 34,253 | 30,248 |
| Less: Allowance for doubtful trade receivables - Billed | (219) | (244) |
| **Considered good** | **34,034** | **30,004** |
| Trade receivables - Billed | 286 | 388 |
| Less: Allowance for doubtful trade receivables - Billed | (246) | (313) |
| **Credit impaired** | **40** | **75** |
| | **34,074** | **30,079** |

Ageing for trade receivables – current outstanding as at March 31, 2022 is as follows:

(₹ crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade receivables - Billed** | | | | | | | |
| Undisputed trade receivables – considered good | 30,102 | 2,601 | 582 | 585 | 154 | 205 | 34,229 |
| Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables – credit impaired | 2 | 3 | 7 | 81 | 25 | 152 | 270 |
| Disputed trade receivables – considered good | - | - | - | - | - | 24 | 24 |
| Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | 9 | - | 7 | 16 |
| | **30,104** | **2,604** | **589** | **675** | **179** | **388** | **34,539** |
| **Less: Allowance for doubtful trade receivables - Billed** | | | | | | | **(465)** |
| | | | | | | | **34,074** |
| **Trade receivables - Unbilled** | | | | | | | **7,736** |
| | | | | | | | **41,810** |

Ageing for trade receivables – current outstanding as at March 31, 2021 is as follows:

(₹ crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade receivables - Billed** | | | | | | | |
| Undisputed trade receivables – considered good | 24,716 | 4,149 | 476 | 558 | 74 | 250 | 30,223 |
| Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables – credit impaired | - | 5 | 97 | 63 | 88 | 128 | 381 |
| Disputed trade receivables – considered good | - | 5 | - | - | 15 | 5 | 25 |
| Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | 7 | 7 |
| | **24,716** | **4,159** | **573** | **621** | **177** | **390** | **30,636** |
| **Less: Allowance for doubtful trade receivables - Billed** | | | | | | | **(557)** |
| | | | | | | | **30,079** |
| **Trade receivables - Unbilled** | | | | | | | **6,583** |
| | | | | | | | **36,662** |

## (c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Balances with banks** | | |
| In current accounts | 2,211 | 5,266 |
| In deposit accounts | 10,277 | 1,586 |
| Cheques on hand | -* | -* |
| Cash on hand | -* | 1 |
| Remittances in transit | -* | 5 |
| | **12,488** | **6,858** |

*Represents value less than ₹0.50 crore.

Balances with banks in current accounts include ₹32 crore and ₹13 crore as at March 31, 2022 and 2021, respectively, pertaining to trusts held for specified purposes.

## (d) Other balances with banks

Other balances with banks consist of the following:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Earmarked balances with banks | 226 | 209 |
| Short-term bank deposits | 5,507 | 2,262 |
| | **5,733** | **2,471** |

Earmarked balances with banks primarily relate to margin money for purchase of investments, margin money for derivative contracts, unclaimed dividends and balance in escrow account for buy-back of equity shares.

## (e) Loans

Loans (unsecured) consist of the following:

**Loans – Non-current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Considered good** | | |
| Inter-corporate deposits | 303 | 27 |
| Loans and advances to employees | 8 | 2 |
| | **311** | **29** |

**Loans – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Considered good** | | |
| Inter-corporate deposits | 6,074 | 11,229 |
| Loans and advances to employees | 371 | 243 |
| **Credit impaired** | | |
| Loans and advances to employees | 23 | 17 |
| Less: Allowance on loans and advances to employees | (23) | (17) |
| | **6,445** | **11,472** |

Inter-corporate deposits placed with financial institutions yield fixed interest rate.

Inter-corporate deposits include ₹978 crore and ₹952 crore as at March 31, 2022 and 2021, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

## (f) Other financial assets

Other financial assets consist of the following:

**Other financial assets – Non-current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Security deposits | 825 | 837 |
| Earmarked balances with banks | 183 | 3 |
| Long-term bank deposits | 1,232 | 719 |
| Others | 13 | 14 |
| | **2,253** | **1,573** |

**Other financial assets – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Security deposits | 178 | 168 |
| Fair value of foreign exchange derivative assets | 388 | 495 |
| Interest receivable | 648 | 615 |
| Others | 176 | 116 |
| | **1,390** | **1,394** |

Interest receivable includes ₹34 crore and ₹40 crore as at March 31, 2022 and 2021, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

## (g) Trade payables

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(₹ crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade payables** | | | | | | |
| MSME* | - | - | - | - | - | - |
| Others | 1,187 | 778 | 22 | 8 | 52 | 2,047 |
| Disputed dues - MSME* | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | 32 | 32 |
| | **1,187** | **778** | **22** | **8** | **84** | **2,079** |
| **Accrued expenses** | | | | | | 5,966 |
| | | | | | | **8,045** |

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

(₹ crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade payables** | | | | | | |
| MSME* | 2 | - | - | - | - | 2 |
| Others | 1,320 | 763 | 26 | 15 | 79 | 2,203 |
| Disputed dues - MSME* | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | 32 | 32 |
| | **1,322** | **763** | **26** | **15** | **111** | **2,237** |
| **Accrued expenses** | | | | | | 5,623 |
| | | | | | | **7,860** |

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

## (h) Other financial liabilities

Other financial liabilities consist of the following:

**Other financial liabilities – Non-current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Capital creditors | 339 | - |
| Others | 233 | 280 |
| | **572** | **280** |

Others include advance taxes paid of ₹226 crore and ₹226 crore as at March 31, 2022 and 2021, respectively, by the seller of TCS e-Serve Limited (merged with the Company) which, on refund by tax authorities, is payable to the seller.

**Other financial liabilities – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Accrued payroll | 5,572 | 4,482 |
| Unclaimed dividends | 46 | 50 |
| Fair value of foreign exchange derivative liabilities | 128 | 92 |
| Capital creditors | 771 | 399 |
| Liabilities towards customer contracts | 1,034 | 914 |
| Others | 136 | 213 |
| | **7,687** | **6,150** |

**(i) Financial instruments by category**

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

(₹ crore)

| | Fair value through profit or loss | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Amortised cost | Total carrying value |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalents | - | - | - | - | 12,488 | 12,488 |
| Bank deposits | - | - | - | - | 6,739 | 6,739 |
| Earmarked balances with banks | - | - | - | - | 409 | 409 |
| Investments | 1,874 | 26,945 | - | - | 1,666 | 30,485 |
| Trade receivables | | | | | | |
| Billed | - | - | - | - | 34,219 | 34,219 |
| Unbilled | - | - | - | - | 7,791 | 7,791 |
| Loans | - | - | - | - | 6,756 | 6,756 |
| Other financial assets | - | - | 124 | 264 | 1,840 | 2,228 |
| | **1,874** | **26,945** | **124** | **264** | **71,908** | **1,01,115** |
| **Financial liabilities** | | | | | | |
| Trade payables | - | - | - | - | 8,045 | 8,045 |
| Lease liabilities | - | - | - | - | 7,818 | 7,818 |
| Other financial liabilities | - | - | 22 | 106 | 8,131 | 8,259 |
| | **-** | **-** | **22** | **106** | **23,994** | **24,122** |

Loans include inter-corporate deposits of ₹6,377 crore, with original maturity period within 36 months.

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(₹ crore)

| | Fair value through profit or loss | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Amortised cost | Total carrying value |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalents | - | - | - | - | 6,858 | 6,858 |
| Bank deposits | - | - | - | - | 2,981 | 2,981 |
| Earmarked balances with banks | - | - | - | - | 212 | 212 |
| Investments | 4,904 | 24,158 | - | - | 311 | 29,373 |
| Trade receivables | | | | | | |
| Billed | - | - | - | - | 30,134 | 30,134 |
| Unbilled | - | - | - | - | 6,856 | 6,856 |
| Loans | - | - | - | - | 11,501 | 11,501 |
| Other financial assets | - | - | 163 | 332 | 1,750 | 2,245 |
| | **4,904** | **24,158** | **163** | **332** | **60,603** | **90,160** |
| **Financial liabilities** | | | | | | |
| Trade payables | - | - | - | - | 7,860 | 7,860 |
| Lease liabilities | - | - | - | - | 7,795 | 7,795 |
| Other financial liabilities | - | - | 2 | 90 | 6,338 | 6,430 |
| | **-** | **-** | **2** | **90** | **21,993** | **22,085** |

Loans include inter-corporate deposits of ₹11,256 crore, with original maturity period within 36 months.

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at March 31, 2022 and 2021, approximate the fair value due to their nature. Carrying amounts of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is ₹1,672 crore and ₹332 crore as at March 31, 2022 and 2021, respectively.

## (j) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

(₹ crore)

| As at March 31, 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Mutual fund units | 1,874 | - | - | 1,874 |
| Equity shares | - | - | 36 | 36 |
| Government bonds and securities | 25,859 | - | - | 25,859 |
| Certificate of deposits | 99 | - | - | 99 |
| Corporate bonds | 1,252 | - | - | 1,252 |
| Commercial papers | 381 | - | - | 381 |
| Treasury bills | 990 | | | 990 |
| Fair value of foreign exchange derivative assets | - | 388 | - | 388 |
| | **30,455** | **388** | **36** | **30,879** |
| **Financial liabilities** | | | | |
| Fair value of foreign exchange derivative liabilities | - | 128 | - | 128 |
| | **-** | **128** | **-** | **128** |

(₹ crore)

| As at March 31, 2021 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Mutual fund units | 4,849 | - | 55 | 4,904 |
| Equity shares | - | - | 38 | 38 |
| Government bonds and securities | 23,856 | - | - | 23,856 |
| Corporate bonds | 460 | - | - | 460 |
| Commercial papers | 136 | - | - | 136 |
| Fair value of foreign exchange derivative assets | - | 495 | - | 495 |
| | **29,301** | **495** | **93** | **29,889** |
| **Financial liabilities** | | | | |
| Fair value of foreign exchange derivative liabilities | - | 92 | - | 92 |
| | **-** | **92** | **-** | **92** |

Reconciliation of Level 3 fair value measurement of financial assets is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **93** | **42** |
| Additions during the year | - | 52 |
| Fair value of investments | - | 4 |
| Impairment in value of investments | (4) | (2) |
| Other adjustments during the year | (55) | - |
| Translation exchange difference | 2 | (3) |
| **Balance at the end of the year** | **36** | **93** |

## (k) Derivative financial instruments and hedging activity

The Group's revenue is denominated in various foreign currencies. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes the Group to currency fluctuations.

The Board of Directors has constituted a Risk Management Committee (RMC) to frame, implement and monitor the risk management plan of the Group which inter-alia covers risks arising out of exposure to foreign currency fluctuations. Under the guidance and framework provided by the RMC, the Group uses various derivative instruments such as foreign exchange forward, currency options and futures contracts in which the counter party is generally a bank.

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

| Foreign currency | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | No. of contracts | Notional amount of contracts (In million) | Fair value (₹ crore) | No. of contracts | Notional amount of contracts (In million) | Fair value (₹ crore) |
| US Dollar | 63 | 1,635 | 44 | 63 | 1,615 | 51 |
| Great Britain Pound | 41 | 338 | 55 | 64 | 330 | 14 |
| Euro | 53 | 382 | 25 | 60 | 346 | 78 |
| Australian Dollar | 30 | 202 | (21) | 38 | 206 | 16 |
| Canadian Dollar | 25 | 137 | (1) | 23 | 114 | 2 |

The movement in cash flow hedging reserve for derivatives designated as cash flow hedges is as follows:

(₹ crore)

| | Year ended March 31, 2022 | | Year ended March 31, 2021 | |
|---|---|---|---|---|
| | Intrinsic value | Time value | Intrinsic value | Time value |
| **Balance at the beginning of the year** | **56** | **(27)** | **45** | **(68)** |
| (Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions | (636) | 525 | (341) | 530 |
| Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions | 139 | (122) | 73 | (125) |
| Change in the fair value of effective portion of cash flow hedges | 599 | (559) | 355 | (477) |
| Deferred tax on change in the fair value of effective portion of cash flow hedges | (131) | 130 | (76) | 113 |
| **Balance at the end of the year** | **27** | **(53)** | **56** | **(27)** |

The Group has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at March 31, 2022 and 2021, the notional amount of outstanding contracts aggregated to ₹46,392 crore and ₹37,615 crore, respectively, and the respective fair value of these contracts have a net gain of ₹158 crore and ₹242 crore.

Exchange gain of ₹645 crore and ₹490 crore on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in the consolidated statement of profit and loss for the years ended March 31, 2022 and 2021, respectively.

Net foreign exchange gain include gain of ₹111 crore and loss of ₹189 crore transferred from cash flow hedging reserve for the years ended March 31, 2022 and 2021, respectively.

Net loss on derivative instruments of ₹26 crore recognised in cash flow hedging reserve as at March 31, 2022, is expected to be transferred to the statement of profit and loss by March 31, 2023. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2022.

Following table summarises approximate gain / (loss) on Group's other comprehensive income on account of appreciation / depreciation of the underlying foreign currencies:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| 10% Appreciation of the underlying foreign currencies | (387) | (306) |
| 10% Depreciation of the underlying foreign currencies | 2,034 | 1,906 |

## (I) Financial risk management

The Group is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

  The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. Further, any movement in the functional currencies of the various operations of the Group against

major foreign currencies may impact the Group's revenue in international business.

The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currencies of Tata Consultancy Services Limited and its subsidiaries.

The following analysis has been worked out based on the net exposures for each of the subsidiaries and Tata Consultancy Services Limited as of the date of balance sheet which could affect the statement of profit and loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Group as disclosed in note 8(k).

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2022:

(₹ crore)

| | USD | EUR | GBP | Others |
|---|---|---|---|---|
| Net financial assets | 2,900 | 165 | 84 | 1,234 |
| Net financial liabilities | (8,589) | (437) | (1,290) | (421) |

10% appreciation / depreciation of the respective functional currency of Tata Consultancy Services Limited and its subsidiaries with respect to various foreign currencies would result in increase / decrease in the Group's profit before taxes by approximately ₹635 crore for the year ended March 31, 2022.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2021:

(₹ crore)

| | USD | EUR | GBP | Others |
|---|---|---|---|---|
| Net financial assets | 3,194 | 155 | 101 | 1,129 |
| Net financial liabilities | (41) | (573) | (354) | (411) |

10% appreciation / depreciation of the respective functional currency of Tata Consultancy Services Limited and its subsidiaries with respect to various foreign currencies would result in increase / decrease in the Group's profit before taxes by approximately ₹320 crore for the year ended March 31, 2021.

- **Interest rate risk**

  The Group's investments are primarily in fixed rate interest bearing investments. Hence, the Group is not significantly exposed to interest rate risk.

**Credit risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹6,377 crore are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits

include an amount of ₹6,727 crore held with four Indian banks having high credit rating which are individually in excess of 10% or more of the Group's total bank deposits as at March 31, 2022. None of the other financial instruments of the Group result in material concentration of credit risk.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹1,05,498 crore and ₹94,201 crore as at March 31, 2022 and 2021, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables, loan, contract assets and other financial assets.

  The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables and contract assets as at March 31, 2022 and 2021.

- **Geographic concentration of credit risk**

  Geographic concentration of trade receivables (gross and net of allowances) and contract assets is as follows:

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Gross% | Net% | Gross% | Net% |
| United States of America | 43.79 | 44.69 | 41.08 | 41.83 |
| India | 15.51 | 13.83 | 20.31 | 18.79 |
| United Kingdom | 16.47 | 16.86 | 16.37 | 16.75 |

Geographical concentration of trade receivables and contract assets is allocated based on the location of the customers.

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2022 and 2021, was ₹123 crore and ₹190 crore respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **1,289** | **1,137** |
| Change during the year | 123 | 190 |
| Bad debts written off | (83) | (34) |
| Translation exchange difference | 4 | (4) |
| **Balance at the end of the year** | **1,333** | **1,289** |

## Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(₹ crore)

| **March 31, 2022** | Due in 1st year | Due in 2nd year | Due in 3rd to 5th year | Due after 5th year | Total |
|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | |
| Trade payables | 8,045 | - | - | - | 8,045 |
| Lease liabilities | 1,850 | 1,618 | 3,201 | 3,150 | 9,819 |
| Other financial liabilities | 7,582 | 343 | 231 | 5 | 8,161 |
| | **17,477** | **1,961** | **3,432** | **3,155** | **26,025** |
| **Derivative financial liabilities** | 128 | - | - | - | 128 |
| | **17,605** | **1,961** | **3,432** | **3,155** | **26,153** |

(₹ crore)

| March 31, 2021 | Due in 1st year | Due in 2nd year | Due in 3rd to 5th year | Due after 5th year | Total |
|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | |
| Trade payables | 7,860 | - | - | - | 7,860 |
| Lease liabilities | 1,742 | 1,601 | 3,325 | 3,509 | 10,177 |
| Other financial liabilities | 6,058 | 50 | 230 | - | 6,338 |
| | **15,660** | **1,651** | **3,555** | **3,509** | **24,375** |
| **Derivative financial liabilities** | 92 | - | - | - | 92 |
| | **15,752** | **1,651** | **3,555** | **3,509** | **24,467** |

## (m) Equity instruments

The authorised, issued, subscribed and fully paid up share capital consist of the following:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Authorised** | | |
| 460,05,00,000 equity shares of ₹1 each (March 31, 2021: 460,05,00,000 equity shares of ₹1 each) | 460 | 460 |
| 105,02,50,000 preference shares of ₹1 each (March 31, 2021: 105,02,50,000 preference shares of ₹1 each) | 105 | 105 |
| | **565** | **565** |
| **Issued, Subscribed and Fully paid up** | | |
| 365,90,51,373 equity shares of ₹1 each (March 31, 2021: 369,90,51,373 equity shares of ₹1 each) | 366 | 370 |
| | **366** | **370** |

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

The Board of Directors at its meeting held on January 12, 2022, approved a proposal to buy-back upto 4,00,00,000 equity shares of the Company for an aggregate amount not exceeding ₹18,000 crore, being 1.08% of the total paid up equity share capital at ₹4,500 per equity share. The shareholders approved the same on February 12, 2022, by way of a special resolution through postal ballot. A Letter of Offer was made to all eligible shareholders. The Company bought back 4,00,00,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on March 29, 2022. Capital redemption reserve was created to the extent of share capital extinguished (₹4 crore). The excess cost of buy-back of ₹18,049 crore (including ₹49 crore towards transaction cost of buy-back) over par value of shares and corresponding tax on buy-back of ₹4,192 crore were offset from retained earnings.

### I. Reconciliation of number of shares

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Number of shares | Amount (₹ crore) | Number of shares | Amount (₹ crore) |
| **Equity shares** | | | | |
| **Opening balance** | **369,90,51,373** | **370** | **375,23,84,706** | **375** |
| Shares extinguished on buy-back | (4,00,00,000) | (4) | (5,33,33,333) | (5) |
| **Closing balance** | **365,90,51,373** | **366** | **369,90,51,373** | **370** |

## II. Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹1 each. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## III. Shares held by Holding company, its Subsidiaries and Associates

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Equity shares** | | |
| **Holding company** | | |
| 264,43,17,117 equity shares (March 31, 2021: 266,91,25,829 equity shares) are held by Tata Sons Private Limited | 264 | 267 |
| **Subsidiaries and Associates of Holding company** | | |
| 7,220 equity shares (March 31, 2021: 7,220 equity shares) are held by Tata Industries Limited* | - | - |
| 10,14,172 equity shares (March 31, 2021: 10,23,685 equity shares) are held by Tata Investment Corporation Limited* | - | - |
| 46,798 equity shares (March 31, 2021: 46,798 equity shares) are held by Tata Steel Limited* | - | - |
| 766 equity shares (March 31, 2021: 766 equity shares) are held by The Tata Power Company Limited* | - | - |
| | **264** | **267** |

*Equity shares having value less than ₹0.50 crore.

## IV. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Equity shares** | | |
| Tata Sons Private Limited, the holding company | 264,43,17,117 | 266,91,25,829 |
| % of shareholding | 72.27% | 72.16% |

## V. Equity shares movement during 5 years preceding March 31, 2022

- **Equity shares issued as bonus**

  The Company allotted 191,42,87,591 equity shares as fully paid up bonus shares by capitalisation of profits transferred from retained earnings amounting to ₹86 crore and capital redemption reserve amounting to ₹106 crore in the quarter ended June 30, 2018, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

- **Equity shares extinguished on buy-back**

  The Company bought back 4,00,00,000 equity shares for an aggregate amount of ₹18,000 crore being 1.08% of the total paid up equity share capital at ₹4,500 per equity share. The equity shares bought back were extinguished on March 29, 2022.

  The Company bought back 5,33,33,333 equity shares for an aggregate amount of ₹16,000 crore being 1.42% of the total paid up equity share capital at ₹3,000 per equity share. The equity shares bought back were extinguished on January 6, 2021.

The Company bought back 7,61,90,476 equity shares for an aggregate amount of ₹16,000 crore being 1.99% of the total paid up equity share capital at ₹2,100 per equity share. The equity shares bought back were extinguished on September 26, 2018.

The Company bought back 5,61,40,350 equity shares for an aggregate amount of ₹16,000 crore being 2.85% of the total paid up equity share capital at ₹2,850 per equity share. The equity shares bought back were extinguished on June 7, 2017.

## VI. Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

| Promoter name | Shares held by promoters | | | | % Change during the year |
|---|---|---|---|---|---|
| | As at March 31, 2022 | | As at March 31, 2021 | | |
| | No. of shares | % of total shares | No. of shares | % of total shares | |
| Tata Sons Private Limited | 264,43,17,117 | 72.27% | 266,91,25,829 | 72.16% | 0.11% |
| **Total** | **264,43,17,117** | **72.27%** | **266,91,25,829** | **72.16%** | **0.11%** |

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

| Promoter name | Shares held by promoters | | | | % Change during the year |
|---|---|---|---|---|---|
| | As at March 31, 2021 | | As at March 31, 2020 | | |
| | No. of shares | % of total shares | No. of shares | % of total shares | |
| Tata Sons Private Limited | 266,91,25,829 | 72.16% | 270,24,50,947 | 72.02% | 0.14% |
| **Total** | **266,91,25,829** | **72.16%** | **270,24,50,947** | **72.02%** | **0.14%** |

## 9) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease

payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**Group as a lessor**

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

The details of the right-of-use assets held by the Group is as follows:

(₹ crore)

| | Additions for the year ended March 31, 2022 | Net carrying amount as at March 31, 2022 |
|---|---|---|
| Leasehold land | 100 | 774 |
| Buildings | 1,357 | 6,586 |
| Leasehold improvement | - | 23 |
| Computer equipment | 4 | 81 |
| Software licences | 145 | 133 |
| Vehicles | 16 | 32 |
| Office equipment | 2 | 7 |
| | **1,624** | **7,636** |

(₹ crore)

| | Additions for the year ended March 31, 2021 | Net carrying amount as at March 31, 2021 |
|---|---|---|
| Leasehold land | - | 682 |
| Buildings | 1,226 | 6,758 |
| Leasehold improvement | 6 | 26 |
| Computer equipment | 102 | 101 |
| Software licences | 26 | 25 |
| Vehicles | 30 | 32 |
| Office equipment | 1 | 9 |
| | **1,391** | **7,633** |

Depreciation on right-of-use assets is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Leasehold land | 9 | 8 |
| Buildings | 1,465 | 1,453 |
| Leasehold improvement | 6 | 8 |
| Computer equipment | 23 | 12 |
| Software licences | 38 | 1 |
| Vehicles | 16 | 14 |
| Office equipment | 3 | 4 |
| | **1,560** | **1,500** |

Interest on lease liabilities is ₹519 crore and ₹523 crore for the years ended March 31, 2022 and 2021, respectively.

The Group incurred ₹277 crore and ₹352 crore for the years ended March 31, 2022 and 2021, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is ₹2,228 crore and ₹2,312 crore for the years ended March 31, 2022 and 2021, respectively, including cash outflow for short term and low value leases.

The Group has lease term extension options that are not reflected in the measurement of lease liabilities. The present value of future cash outflows for such extension periods is ₹773 crore and ₹708 crore as at March 31, 2022 and 2021, respectively.

Lease contracts entered by the Group majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

## 10) Non-financial assets and non-financial liabilities

### (a) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

| Type of asset | Useful lives |
|---|---|
| Buildings | 20 years |
| Leasehold improvements | Lease term |
| Plant and equipment | 10 years |
| Computer equipment | 4 years |
| Vehicles | 4 years |
| Office equipment | 2-5 years |
| Electrical installations | 4-10 years |
| Furniture and fixtures | 5 years |

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Property, plant and equipment consist of the following:

(₹ crore)

| | Freehold land | Buildings | Leasehold improvements | Plant and equipment | Computer equipment | Vehicles | Office equipment | Electrical installations | Furniture and fixtures | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost as at April 1, 2021** | **351** | **7,777** | **2,502** | **737** | **10,734** | **40** | **2,574** | **2,058** | **1,885** | **28,658** |
| Additions | - | 51 | 108 | 35 | 1,868 | - | 187 | 41 | 55 | 2,345 |
| Disposals | - | (2) | (53) | (1) | (515) | (1) | (75) | (44) | (42) | (733) |
| Translation exchange difference | 1 | 3 | 12 | (1) | - | - | - | 7 | 8 | 30 |
| **Cost as at March 31, 2022** | **352** | **7,829** | **2,569** | **770** | **12,087** | **39** | **2,686** | **2,062** | **1,906** | **30,300** |
| **Accumulated depreciation as at April 1, 2021** | **-** | **(2,947)** | **(1,575)** | **(302)** | **(7,531)** | **(33)** | **(2,199)** | **(1,393)** | **(1,568)** | **(17,548)** |
| Depreciation | - | (396) | (205) | (76) | (1,547) | (3) | (191) | (149) | (122) | (2,689) |
| Disposals | - | 2 | 52 | - | 510 | 1 | 75 | 43 | 42 | 725 |
| Translation exchange difference | - | (2) | (8) | 1 | 5 | - | - | (4) | (6) | (14) |
| **Accumulated depreciation as at March 31, 2022** | **-** | **(3,343)** | **(1,736)** | **(377)** | **(8,563)** | **(35)** | **(2,315)** | **(1,503)** | **(1,654)** | **(19,526)** |
| **Net carrying amount as at March 31, 2022** | **352** | **4,486** | **833** | **393** | **3,524** | **4** | **371** | **559** | **252** | **10,774** |
| Capital work-in-progress* | | | | | | | | | | 1,205 |
| **Total** | | | | | | | | | | **11,979** |

*₹2,345 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2022.

(₹ crore)

| | Freehold land | Buildings | Leasehold improvements | Plant and equipment | Computer equipment | Vehicles | Office equipment | Electrical installations | Furniture and fixtures | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost as at April 1, 2020** | **347** | **7,719** | **2,427** | **681** | **8,794** | **42** | **2,509** | **2,039** | **1,886** | **26,444** |
| Additions | 5 | 71 | 142 | 53 | 2,047 | 3 | 137 | 46 | 61 | 2,565 |
| Disposals | - | (11) | (72) | (1) | (180) | (5) | (80) | (29) | (63) | (441) |
| Translation exchange difference | (1) | (2) | 5 | 4 | 73 | - | 8 | 2 | 1 | 90 |
| **Cost as at March 31, 2021** | **351** | **7,777** | **2,502** | **737** | **10,734** | **40** | **2,574** | **2,058** | **1,885** | **28,658** |
| **Accumulated depreciation as at April 1, 2020** | **-** | **(2,563)** | **(1,441)** | **(228)** | **(6,414)** | **(34)** | **(2,068)** | **(1,266)** | **(1,489)** | **(15,503)** |
| Depreciation | - | (393) | (199) | (72) | (1,246) | (4) | (204) | (152) | (137) | (2,407) |
| Disposals | - | 8 | 68 | 1 | 168 | 5 | 79 | 26 | 62 | 417 |
| Translation exchange difference | - | 1 | (3) | (3) | (39) | - | (6) | (1) | (4) | (55) |
| **Accumulated depreciation as at March 31, 2021** | **-** | **(2,947)** | **(1,575)** | **(302)** | **(7,531)** | **(33)** | **(2,199)** | **(1,393)** | **(1,568)** | **(17,548)** |
| **Net carrying amount as at March 31, 2021** | **351** | **4,830** | **927** | **435** | **3,203** | **7** | **375** | **665** | **317** | **11,110** |
| Capital work-in-progress* | | | | | | | | | | 926 |
| **Total** | | | | | | | | | | **12,036** |

*₹2,565 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.

**Capital work-in-progress**

- **Capital work-in-progress ageing**

  Ageing for capital work-in-progress as at March 31, 2022 is as follows:

(₹ crore)

| Capital work-in-progress | Amount in Capital work-in-progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 691 | 102 | 39 | 373 | 1,205 |
| | **691** | **102** | **39** | **373** | **1,205** |

  Ageing for capital work-in-progress as at March 31, 2021 is as follows:

(₹ crore)

| Capital work-in-progress | Amount in capital work-in-progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 486 | 62 | 41 | 337 | 926 |
| | **486** | **62** | **41** | **337** | **926** |

- Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

**(b) Goodwill**

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Goodwill consists of the following:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **1,798** | **1,710** |
| Translation exchange difference | (11) | 88 |
| **Balance at the end of the year** | **1,787** | **1,798** |

Goodwill of ₹646 crore and ₹660 crore as at March 31, 2022 and 2021, respectively, has been allocated to the TCS business in France. The estimated value-in-use of this CGU is based on the future cash flows using a 1.50% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 9.30%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The remaining amount of goodwill of ₹1,141 crore and ₹1,138 crore as at March 31, 2022 and 2021, respectively, (relating to different CGUs individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

### (c) Other intangible assets

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

Intangible assets consist of rights under licensing agreement and software licences and customer-related intangibles.

Following table summarises the nature of intangibles and their estimated useful lives:

| Type of asset | Useful lives |
|---|---|
| Rights under licensing agreement and software licences | Lower of licence period and 2-5 years |
| Customer-related intangibles | 3 years |

Intangible assets are amortised on a straight-line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Intangible assets consist of the following:

(₹ crore)

| | Rights under licensing agreement and software licences | Customer-related intangibles | Total |
|---|---|---|---|
| **Cost as at April 1, 2021** | **740** | **122** | **862** |
| Additions | 1,002 | - | 1,002 |
| Disposals / Derecognised | (42) | - | (42) |
| Translation exchange difference | (3) | (1) | (4) |
| **Cost as at March 31, 2022** | **1,697** | **121** | **1,818** |
| **Accumulated amortisation as at April 1, 2021** | **(265)** | **(117)** | **(382)** |
| Amortisation | (349) | (6) | (355) |
| Disposals / Derecognised | 16 | - | 16 |
| Translation exchange difference | 2 | 2 | 4 |
| **Accumulated amortisation as at March 31, 2022** | **(596)** | **(121)** | **(717)** |
| **Net carrying amount as at March 31, 2022** | **1,101** | **-** | **1,101** |

(₹ crore)

| | Rights under licensing agreement and software licences | Customer-related intangibles | Total |
|---|---|---|---|
| **Cost as at April 1, 2020** | **448** | **120** | **568** |
| Additions | 356 | - | 356 |
| Disposals / Derecognised | (64) | - | (64) |
| Translation exchange difference | - | 2 | 2 |
| **Cost as at March 31, 2021** | **740** | **122** | **862** |
| **Accumulated amortisation as at April 1, 2020** | **(180)** | **(105)** | **(285)** |
| Disposals / Derecognised | (149) | (9) | (158) |
| Amortisation | 64 | - | 64 |
| Translation exchange difference | - | (3) | (3) |
| **Accumulated amortisation as at March 31, 2021** | **(265)** | **(117)** | **(382)** |
| **Net carrying amount as at March 31, 2021** | **475** | **5** | **480** |

The estimated amortisation for the years subsequent to March 31, 2022 is as follows:

(₹ crore)

| **Year ending March 31,** | Amortisation expense |
|---|---|
| 2023 | 463 |
| 2024 | 403 |
| 2025 | 214 |
| 2026 | 22 |
| | **1,101** |

## (d) Other assets

Other assets consist of the following:

### Other assets – Non-current

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Considered good** | | |
| Capital advances | 78 | 66 |
| Advances to related parties | 23 | 33 |
| Contract assets | 171 | 250 |
| Prepaid expenses | 1,291 | 621 |
| Contract fulfillment costs | 150 | 228 |
| Others | 310 | 415 |
| | **2,023** | **1,613** |
| **Advances to related parties, considered good, comprise:** | | |
| Voltas Limited | -* | 2 |
| Tata Realty and Infrastructure Ltd | -* | -* |
| Tata Projects Limited | 23 | 30 |
| Titan Engineering and Automation Limited | -* | -* |

*Represents value less than ₹0.50 crore.

**Other assets – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Considered good** | | |
| Advance to suppliers | 202 | 157 |
| Advance to related parties | 8 | 10 |
| Contract assets | 4,248 | 3,830 |
| Prepaid expenses | 2,994 | 4,651 |
| Prepaid rent | 18 | 28 |
| Contract fulfillment costs | 1,074 | 796 |
| Indirect taxes recoverable | 1,310 | 1,491 |
| Others | 297 | 273 |
| **Considered doubtful** | | |
| Advance to suppliers | 2 | 3 |
| Other advances | 4 | 1 |
| Less: Allowance on doubtful assets | (6) | (4) |
| | **10,151** | **11,236** |
| **Advance to related parties, considered good comprise:** | | |
| The Titan Company Limited | - | 2 |
| Tata AIG General Insurance Company Limited | 1 | 1 |
| Tata Sons Private Limited | 7 | 7 |

Non-current – Others includes advance of ₹271 crore and ₹369 crore towards acquiring right-of-use of leasehold land as at March 31, 2022 and 2021, respectively.

Contract fulfillment costs of ₹809 crore and ₹568 crore for the years ended March 31, 2022 and 2021, respectively, have been amortised in the consolidated statement of profit and loss. Refer note 12 for changes in contract assets.

**(e) Inventories**

Inventories consists of a) Raw materials, sub-assemblies and components, b) Work-in-progress, c) Stores and spare parts and d) Finished goods. Inventories are carried at lower of cost and net realisable value. The cost of raw materials, sub-assemblies and components is determined on a weighted average basis. Cost of finished goods produced or purchased by the Group includes direct material and labour cost and a proportion of manufacturing overheads.

Inventories consist of the following:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Raw materials, sub-assemblies and components | 17 | 8 |
| Finished goods and work-in-progress | 3 | -* |
| | **20** | **8** |

*Represents value less than ₹0.50 crore.

## (f) Other liabilities

Other liabilities consist of the following:

**Other liabilities – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Advance received from customers | 468 | 312 |
| Indirect taxes payable and other statutory liabilities | 3,632 | 3,726 |
| Tax liability on buy-back of equity shares* | 4,192 | - |
| Others | 100 | 30 |
| | **8,392** | **4,068** |

*Refer note 8(m).

## (g) Provisions

Provisions consist of the following:

**Provisions – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Provision towards legal claim (Refer note 20) | 1,249 | 1,211 |
| Provision for foreseeable loss | 131 | 150 |
| Other provisions | 31 | 33 |
| | **1,411** | **1,394** |

## 11) Other equity

Other equity consist of the following:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Capital reserve** | **75** | **75** |
| **Capital redemption reserve** | | |
| **Opening balance** | **436** | **431** |
| Transfer from retained earnings | 4 | 5 |
| | **440** | **436** |
| **General reserve** | | |
| **Opening balance** | **27** | **27** |
| Transfer to retained earnings | (27) | - |
| | **-** | **27** |
| **Special Economic Zone re-investment reserve** | | |
| **Opening balance** | **2,538** | **1,594** |
| Transfer from retained earnings | 9,407 | 5,058 |
| Transfer to retained earnings | (4,658) | (4,114) |
| | **7,287** | **2,538** |
| **Retained earnings** | | |
| **Opening balance** | **79,586** | **78,810** |
| Profit for the year | 38,327 | 32,430 |

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Remeasurement of defined employee benefit plans | 280 | (71) |
| Expenses for buy-back of equity shares[1] | (49) | (31) |
| Tax on buy-back of equity shares[1] | (4,192) | (3,726) |
| Buy-back of equity shares[1] | (17,996) | (15,995) |
| Transfer from Special Economic Zone re-investment reserve | 4,658 | 4,114 |
| Transfer from general reserve | 27 | - |
| | 1,00,641 | 95,531 |
| Less: Appropriations | | |
| Dividend on equity shares | 13,317 | 10,850 |
| Transfer to capital redemption reserve[1] | 4 | 5 |
| Transfer to Special Economic Zone re-investment reserve | 9,407 | 5,058 |
| Transfer to / (from) statutory reserve | (245) | 32 |
| | **78,158** | **79,586** |
| **Statutory reserve** | | |
| **Opening balance** | **407** | **375** |
| Transfer (to) / from retained earnings | (245) | 32 |
| | **162** | **407** |

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Investment revaluation reserve** | | |
| **Opening balance** | **828** | **796** |
| Change during the year (net) | (340) | 32 |
| | **488** | **828** |
| **Cash flow hedging reserve (Refer note 8(k))** | | |
| **Opening balance** | **29** | **(23)** |
| Change during the year (net) | (55) | 52 |
| | **(26)** | **29** |
| **Foreign currency translation reserve** | | |
| **Opening balance** | **2,137** | **1,666** |
| Change during the year (net) | 52 | 471 |
| | **2,189** | **2,137** |
| | **88,773** | **86,063** |

[1]Refer note 8(m).

## 12) Revenue recognition

The Group earns revenue primarily from providing IT services, consulting and business solutions. The Group offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the

Group expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract

unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Consultancy services | 1,90,289 | 1,62,508 |
| Sale of equipment and software licences | 1,465 | 1,669 |
| | **1,91,754** | **1,64,177** |

Revenue disaggregation by industry vertical and geography has been included in segment information (Refer note 19).

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115.

Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹1,13,868 crore out of which 56.54% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **4,080** | **4,489** |
| Invoices raised that were included in the contract assets balance at the beginning of the year | (3,150) | (3,496) |
| Increase due to revenue recognised during the year, excluding amounts billed during the year | 3,457 | 2,985 |
| Translation exchange difference | 32 | 102 |
| **Balance at the end of the year** | **4,419** | **4,080** |

Changes in unearned and deferred revenue are as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **4,847** | **3,612** |
| Revenue recognised that was included in the unearned and deferred revenue balance at the beginning of the year | (3,251) | (3,010) |
| Increase due to invoicing during the year, excluding amounts recognised as revenue during the year | 3,094 | 4,182 |
| Translation exchange difference | 55 | 63 |
| **Balance at the end of the year** | **4,745** | **4,847** |

Reconciliation of revenue recognised with the contracted price is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Contracted price | 1,94,777 | 1,66,917 |
| Reductions towards variable consideration components | (3,023) | (2,740) |
| **Revenue recognised** | **1,91,754** | **1,64,177** |

The reduction towards variable consideration comprises of volume discounts, service level credits, etc.

## 13) Other income

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

Other income consist of the following:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Interest income | 2,663 | 2,504 |
| Dividend income | 4 | 8 |
| Net gain on diposal / fair valuation of investments carried at fair value through profit or loss | 198 | 204 |
| Net gain on disposal of property, plant and equipment | 23 | 13 |
| Net gain on lease modification | 7 | 100 |
| Net loss on sub-lease | (9) | - |
| Net foreign exchange gain | 1,045 | 248 |
| Rent income | - | 1 |
| Other income | 87 | 56 |
| | **4,018** | **3,134** |
| **Interest income comprise:** | | |
| Interest on bank balances and bank deposits | 295 | 137 |
| Interest on financial assets carried at amortised cost | 546 | 587 |
| Interest on financial assets carried at fair value through OCI | 1,818 | 1,762 |
| Other interest (including interest on tax refunds) | 4 | 18 |
| **Dividend income comprise:** | | |
| Dividend from mutual fund units and other investments | 4 | 8 |

## 14) Employee benefits

**Defined benefit plans**

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

The Group provides benefits such as gratuity, pension and provident fund (Company managed fund) to its employees which are treated as defined benefit plans.

**Defined contribution plans**

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

The Group provides benefits such as superannuation, provident fund (other than Company managed fund) and foreign defined contribution plans to its employees which are treated as defined contribution plans.

**Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Compensated absences**

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Employee benefit expenses consist of the following:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Salaries, incentives and allowances | 96,263 | 83,045 |
| Contributions to provident and other funds | 8,450 | 6,401 |
| Staff welfare expenses | 2,841 | 2,368 |
| | **1,07,554** | **91,814** |

Employee benefit obligations consist of the following:

**Employee benefit obligations – Non-current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Gratuity liability | 13 | 12 |
| Foreign defined benefit plans | 490 | 492 |
| Other employee benefit obligations | 174 | 245 |
| | **677** | **749** |

**Employee benefit obligations – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Compensated absences | 3,760 | 3,448 |
| Other employee benefit obligations | 50 | 50 |
| | **3,810** | **3,498** |

Employee benefit plans consist of the following:

**Gratuity and pension**

In accordance with Indian law, Tata Consultancy Services Limited and its subsidiaries in India operate a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Company manages the plan through a trust. Trustees administer contributions made to the trust. Certain overseas subsidiaries of the Company also provide for retirement benefit pension plans in accordance with the local laws.

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

(₹ crore)

| | Year ended March 31, 2022 | | | | | Year ended March 31, 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total |
| **Change in benefit obligations** | | | | | | | | | | |
| **Benefit obligations, beginning of the year** | **4,315** | **12** | **2,292** | **237** | **6,856** | **3,638** | **8** | **755** | **161** | **4,562** |
| Translation exchange difference | - | - | (17) | 4 | (13) | - | - | (21) | 6 | (15) |
| Plan assumed on insourcing of employees | - | - | - | - | - | - | - | 1,348 | 20 | 1,368 |
| Plan participants' contribution | - | - | 15 | - | 15 | - | - | 12 | - | 12 |
| Service cost | 539 | - | 51 | 47 | 637 | 460 | 2 | 27 | 36 | 525 |
| Interest cost | 296 | - | 19 | 3 | 318 | 244 | 1 | 12 | 3 | 260 |
| Remeasurement of the net defined benefit liability | (188) | 1 | (34) | (9) | (230) | 135 | 2 | 139 | 18 | 294 |
| Past service cost / (credit) | - | - | 3 | - | 3 | - | - | - | - | - |
| Benefits paid | (489) | (1) | (35) | (13) | (538) | (162) | (1) | 20 | (7) | (150) |
| Shift of plan from unfunded to funded position | 9 | (9) | - | - | - | - | - | - | - | - |
| **Benefit obligations, end of the year** | **4,482** | **3** | **2,294** | **269** | **7,048** | **4,315** | **12** | **2,292** | **237** | **6,856** |

(₹ crore)

| | Year ended March 31, 2022 | | | | | Year ended March 31, 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total |
| **Change in plan assets** | | | | | | | | | | |
| **Fair value of plan assets, beginning of the year** | **4,706** | **-** | **2,073** | **-** | **6,779** | **3,643** | **-** | **629** | **-** | **4,272** |
| Translation exchange difference | - | - | (21) | - | (21) | - | - | (17) | - | (17) |
| Plan assumed on insourcing of employees | - | - | - | - | - | - | - | 1,302 | - | 1,302 |
| Interest income | 335 | - | 16 | - | 351 | 269 | - | 9 | - | 278 |
| Employers' contributions | 980 | - | 48 | - | 1,028 | 837 | - | 25 | - | 862 |
| Plan participants' contribution | - | - | 15 | - | 15 | - | - | 12 | - | 12 |
| Benefits paid | (489) | - | (35) | - | (524) | (162) | - | 20 | - | (142) |
| Remeasurement - return on plan assets excluding amount included in interest income | (5) | - | 36 | - | 31 | 119 | - | 93 | - | 212 |
| **Fair value of plan assets, end of the year** | **5,527** | **-** | **2,132** | **-** | **7,659** | **4,706** | **-** | **2,073** | **-** | **6,779** |

(₹ crore)

| | As at March 31, 2022 | | | | | As at March 31, 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total |
| **Funded status** | | | | | | | | | | |
| Deficit of plan assets over obligations | (10) | (3) | (221) | (269) | (503) | - | (12) | (255) | (237) | (504) |
| Surplus of plan assets over obligations | 1,055 | - | 59 | - | 1,114 | 391 | - | 36 | - | 427 |
| | **1,045** | **(3)** | **(162)** | **(269)** | **611** | **391** | **(12)** | **(219)** | **(237)** | **(77)** |

(₹ crore)

| | As at March 31, 2022 | | | | | As at March 31, 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total |
| **Category of assets** | | | | | | | | | | |
| Corporate bonds | 1,697 | - | 369 | - | 2,066 | 1,408 | - | 805 | - | 2,213 |
| Equity instruments | 66 | - | 543 | - | 609 | 29 | - | - | - | 29 |
| Government bonds and securities | 2,625 | - | 195 | - | 2,820 | 2,257 | - | - | - | 2,257 |
| Insurer managed funds | 983 | - | 503 | - | 1,486 | 910 | - | 431 | - | 1,341 |
| Bank balances | 10 | - | 24 | - | 34 | 2 | - | 3 | - | 5 |
| Others | 146 | - | 498 | - | 644 | 100 | - | 834 | - | 934 |
| | **5,527** | **-** | **2,132** | **-** | **7,659** | **4,706** | **-** | **2,073** | **-** | **6,779** |

Net periodic gratuity / pension cost, included in employee cost consists of the following components:

(₹ crore)

| | Year ended March 31, 2022 | | | | | Year ended March 31, 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total |
| Service cost | 539 | - | 51 | 47 | 637 | 460 | 2 | 27 | 36 | 525 |
| Net interest on net defined benefit (asset) / liability | (39) | - | 3 | 3 | (33) | (25) | 1 | 3 | 3 | (18) |
| Past service cost / (credit) | - | - | 3 | - | 3 | - | - | - | - | - |
| **Net periodic gratuity / pension cost** | **500** | **-** | **57** | **50** | **607** | **435** | **3** | **30** | **39** | **507** |
| **Actual return on plan assets** | **330** | **-** | **52** | **-** | **382** | **388** | **-** | **102** | **-** | **490** |

Remeasurement of the net defined benefit (asset) / liability:

(₹ crore)

| | Year ended March 31, 2022 | | | | |
|---|---|---|---|---|---|
| | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total |
| Actuarial (gains) and losses arising from changes in demographic assumptions | (20) | - | (13) | (2) | (35) |
| Actuarial (gains) and losses arising from changes in financial assumptions | (166) | - | (55) | (25) | (246) |
| Actuarial (gains) and losses arising from changes in experience adjustments | (2) | 1 | 34 | 18 | 51 |
| **Remeasurement of the net defined benefit liability** | **(188)** | **1** | **(34)** | **(9)** | **(230)** |
| Remeasurement - return on plan assets excluding amount included in interest income | 5 | - | (36) | - | (31) |
| | **(183)** | **1** | **(70)** | **(9)** | **(261)** |

(₹ crore)

| | Year ended March 31, 2021 | | | | |
|---|---|---|---|---|---|
| | Domestic plans Funded | Domestic plans Unfunded | Foreign plans Funded | Foreign plans Unfunded | Total |
| Actuarial (gains) and losses arising from changes in demographic assumptions | 24 | - | 1 | (2) | 23 |
| Actuarial (gains) and losses arising from changes in financial assumptions | (32) | - | 118 | 19 | 105 |
| Actuarial (gains) and losses arising from changes in experience adjustments | 143 | 2 | 20 | 1 | 166 |
| **Remeasurement of the net defined benefit liability** | **135** | **2** | **139** | **18** | **294** |
| Remeasurement - return on plan assets excluding amount included in interest income | (119) | - | (93) | - | (212) |
| | **16** | **2** | **46** | **18** | **82** |

The assumptions used in accounting for the defined benefit plan are set out below:

| | Year ended March 31, 2022 | | Year ended March 31, 2021 | |
|---|---|---|---|---|
| | Domestic plans | Foreign plans | Domestic plans | Foreign plans |
| Discount rate | 4.50%-7.25% | 0.77%-8.30% | 4.25%-7.00% | 0.40%-7.55% |
| Rate of increase in compensation levels of covered employees | 4.00%-6.00% | 1.50%-7.00% | 4.00%-6.00% | 1.25%-7.00% |
| Rate of return on plan assets | 4.50%-7.25% | 0.77%-8.30% | 4.25%-7.00% | 0.40%-7.55% |
| Weighted average duration of defined benefit obligations | 2-16 years | 3-31 years | 3-18 years | 3-65 years |

Future mortality assumptions are taken based on the published statistics by the Insurance Regulatory and Development Authority of India.

The expected benefits are based on the same assumptions as are used to measure Group's defined benefit plan obligations as at March 31, 2022. The Group is expected to contribute ₹57 crore to defined benefit plan obligations funds for the year ending March 31, 2023 comprising domestic component of ₹6 crore and foreign component of ₹51 crore.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Increase of 0.50% | (372) | (378) |
| Decrease of 0.50% | 422 | 421 |

If the expected salary growth increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Increase of 0.50% | 200 | 276 |
| Decrease of 0.50% | (188) | (260) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

The defined benefit obligations shall mature after year ended March 31, 2022 as follows:

(₹ crore)

| **Year ending March 31,** | Defined benefit obligations |
|---|---|
| 2023 | 533 |
| 2024 | 449 |
| 2025 | 478 |
| 2026 | 463 |
| 2027 | 478 |
| 2028-2032 | 2,477 |

**Provident fund**

In accordance with Indian law, all eligible employees of Tata Consultancy Services Limited in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's

contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in profit and loss under employee benefit expenses. In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

All eligible employees of Indian subsidiaries of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to the Government administered provident fund plan. A part of the company's contribution is transferred to Government administered pension fund. This plan is a defined contribution plan as the obligation of the employer is limited to the monthly contributions made to the fund. The contributions made to the fund are recognised as an expense in profit and loss under employee benefit expenses.

The details of fund and plan assets are given below:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Fair value of plan assets | 22,814 | 20,003 |
| Present value of defined benefit obligations | (22,814) | (20,003) |
| **Net excess / (shortfall)** | - | - |

The plan assets have been primarily invested in Government securities and corporate bonds.

The principal assumptions used in determining the present value obligations of interest guarantee under the deterministic approach are as follows:

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Discount rate | 7.00% | 6.50% |
| Average remaining tenure of investment portfolio | 8 years | 8 years |
| Guaranteed rate of return | 8.10% | 8.50% |

The Group expensed ₹1,383 crore and ₹1,085 crore for the years ended March 31, 2022 and 2021, respectively, towards provident fund.

**Superannuation**

All eligible employees on Indian payroll are entitled to benefits under Superannuation, a defined contribution plan. The Group makes monthly contributions until retirement or resignation of the employee. The Group recognises such contributions as an expense when incurred. The Group has no further obligation beyond its monthly contribution.

The Group expensed ₹383 crore and ₹366 crore for the years ended March 31, 2022 and 2021, respectively, towards Employees' Superannuation Fund.

**Foreign defined contribution plan**

The Group expensed ₹1,796 crore and ₹1,458 crore for the years ended March 31, 2022 and 2021, respectively, towards foreign defined contribution plans.

## 15) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Group are broadly categorised in employee benefit expenses, cost of equipment and software licences, depreciation and amortisation expense and other expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses are aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

### (a) Cost of equipment and software licences

Cost of equipment and software licences consist of the following:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Raw materials, sub-assemblies and components consumed | 29 | 14 |
| Equipment and software licences purchased | 1,137 | 1,447 |
| | **1,166** | **1,461** |
| **Finished goods and work-in-progress** | | |
| Opening stock | -* | 1 |
| Less: Closing stock | 3 | -* |
| | **(3)** | **1** |
| | **1,163** | **1,462** |

*Represents value less than ₹0.50 crore.

### (b) Other expenses

Other expenses consist of the following:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Fees to external consultants | 17,409 | 13,214 |
| Facility expenses | 2,139 | 2,131 |
| Travel expenses | 1,589 | 1,081 |
| Communication expenses | 2,050 | 1,896 |
| Bad debts and advances written off, allowance for doubtful trade receivables and advances (net) | 135 | 201 |
| Other expenses | 6,658 | 5,832 |
| | **29,980** | **24,355** |

## 16) Finance costs

Finance costs consist of the following:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Interest on lease liabilities | 519 | 523 |
| Interest on tax matters | 218 | 96 |
| Other interest costs | 47 | 18 |
| | **784** | **637** |

## 17) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**Current income taxes**

The current income tax expense includes income taxes payable by the Company and its subsidiaries in India and overseas. The current tax payable by the Company and its subsidiaries in India is Indian income tax payable on worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

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

**Deferred income taxes**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The income tax expense consists of the following:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Current tax** | | |
| Current tax expense for current year | 14,333 | 11,737 |
| Current tax benefit pertaining to prior years | (679) | (102) |
| | **13,654** | **11,635** |
| **Deferred tax** | | |
| Deferred tax benefit for current year | (333) | (359) |
| Deferred tax benefit pertaining to prior years | (83) | (78) |
| | **(416)** | **(437)** |
| | **13,238** | **11,198** |

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in consolidated statement of profit and loss is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Profit before tax | 51,687 | 43,760 |
| Indian statutory income tax rate | 34.94% | 34.94% |
| Expected income tax expense | 18,062 | 15,292 |
| **Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense** | | |
| Tax holidays | (4,792) | (4,708) |
| Income exempt from tax | (396) | (325) |
| Undistributed earnings in branches and subsidiaries | (47) | (13) |
| Tax on income at different rates | 980 | 471 |
| Tax pertaining to prior years | (762) | (180) |
| Others (net) | 193 | 661 |
| **Total income tax expense** | **13,238** | **11,198** |

Tata Consultancy Services Limited benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profits or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfilment of certain conditions. From April 1, 2011, profits from units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

(₹ crore)

| | Opening balance | Recognised in profit and loss | Recognised in / reclassified from other comprehensive income | Adjustments / utilisation | Exchange difference | Closing balance |
|---|---|---|---|---|---|---|
| **Deferred tax assets / (liabilities) in relation to** | | | | | | |
| Property, plant and equipment and intangible assets | 309 | 131 | - | - | (6) | 434 |
| Provision for employee benefits | 897 | 94 | 58 | (2) | (5) | 1,042 |
| Cash flow hedges | (8) | - | 16 | - | (1) | 7 |
| Receivables, financial assets at amortised cost | 424 | 42 | - | - | 5 | 471 |
| MAT credit entitlement | 1,710 | - | - | (735) | - | 975 |
| Branch profit tax | (310) | 233 | - | - | - | (77) |
| Undistributed earnings of subsidiaries | (198) | (157) | - | - | - | (355) |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | (500) | - | 180 | - | - | (320) |
| Lease liabilities | 261 | (22) | - | - | 2 | 241 |
| Others | 579 | 95 | - | - | 26 | 700 |
| | **3,164** | **416** | **254** | **(737)** | **21** | **3,118** |

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

| **As at March 31, 2022** | Assets | Liabilities | Net |
|---|---|---|---|
| **Deferred tax assets / (liabilities) in relation to** | | | |
| Property, plant and equipment and intangible assets | 539 | 105 | 434 |
| Provision for employee benefits | 1,062 | 20 | 1,042 |
| Cash flow hedges | 7 | - | 7 |
| Receivables, financial assets at amortised cost | 471 | - | 471 |
| MAT credit entitlement | 975 | - | 975 |
| Branch profit tax | - | 77 | (77) |
| Undistributed earnings of subsidiaries | - | 355 | (355) |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | (320) | - | (320) |
| Lease liabilities | 240 | (1) | 241 |
| Others | 734 | 34 | 700 |
| | **3,708** | **590** | **3,118** |

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(₹ crore)

| | Opening balance | Recognised in profit and loss | Recognised in / reclassified from other comprehensive income | Adjustments / Utilisation | Exchange difference | Closing balance |
|---|---|---|---|---|---|---|
| **Deferred tax assets / (liabilities) in relation to** | | | | | | |
| Property, plant and equipment and intangible assets | 145 | 124 | - | 40 | - | 309 |
| Provision for employee benefits | 654 | 168 | 8 | 77 | (10) | 897 |
| Cash flow hedges | 7 | - | (15) | - | - | (8) |
| Receivables, financial assets at amortised cost | 388 | 35 | - | - | 1 | 424 |
| MAT credit entitlement | 1,074 | 39 | - | 597 | - | 1,710 |
| Branch profit tax | (284) | (26) | - | - | - | (310) |
| Undistributed earnings of subsidiaries | (286) | 88 | - | - | - | (198) |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | (484) | 1 | (17) | - | - | (500) |
| Lease liabilities | 345 | (84) | - | - | - | 261 |
| Others | 490 | 92 | - | - | (3) | 579 |
| | **2,049** | **437** | **(24)** | **714** | **(12)** | **3,164** |

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

| **As at March 31, 2021** | Assets | Liabilities | Net |
|---|---|---|---|
| **Deferred tax assets / (liabilities) in relation to** | | | |
| Property, plant and equipment and intangible assets | 458 | 149 | 309 |
| Provision for employee benefits | 908 | 11 | 897 |
| Cash flow hedges | (8) | - | (8) |
| Receivables, financial assets at amortised cost | 424 | - | 424 |
| MAT credit entitlement | 1,710 | - | 1,710 |
| Branch profit tax | - | 310 | (310) |
| Undistributed earnings of subsidiaries | - | 198 | (198) |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | (500) | - | (500) |
| Lease liabilities | 260 | (1) | 261 |
| Others | 679 | 100 | 579 |
| | **3,931** | **767** | **3,164** |

Under the Income-tax Act, 1961, unabsorbed business losses expire 8 years after the year in which they originate. In respect of certain foreign subsidiaries, business losses can be carried forward indefinitely unless there is a substantial change in the ownership.

Unrecognised deferred tax assets relate primarily to business losses and tax credit entitlements which do not qualify for recognition as per the applicable

accounting standards. These unexpired business losses will expire based on the year of origination as follows:

(₹ crore)

| March 31, | Unabsorbed business losses |
|---|---|
| 2023 | 2 |
| 2024 | 7 |
| 2025 | 4 |
| 2026 | 2 |
| 2027 | - |
| Thereafter | 116 |
| | **131** |

Under the Income-tax Act, 1961, Tata Consultancy Services Limited is liable to pay Minimum Alternate Tax in the tax holiday period. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred tax liability on temporary differences of ₹6,177 crore as at March 31, 2022, associated with investments in subsidiaries, has not been recognised, as it is the intention of Tata Consultancy Services Limited to reinvest the earnings of these subsidiaries for the foreseeable future.

**Direct tax contingencies**

The Company and its subsidiaries have ongoing disputes with income tax authorities in India and in some of the other jurisdictions where they operate. The disputes relate to tax treatment of certain expenses claimed as deduction, computation or eligibility of tax incentives and allowances and characterisation of fees for services received. The Company and its subsidiaries have recognised contingent liability in respect of tax demands received from direct tax authorities in India and other jurisdictions of ₹1,652 crore and ₹955 crore as at March 31, 2022 and 2021, respectively. These demand orders are being contested by the Company and its subsidiaries based on the management evaluation and advise of tax consultants. In respect of tax contingencies of ₹318 crore and ₹318 crore as at March 31, 2022 and 2021, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions it operates in. The Group has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2018 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2017 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2018 and earlier.

## 18) Earnings per share

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

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Profit for the year attributable to shareholders of the Company (₹ crore) | 38,327 | 32,430 |
| Weighted average number of equity shares | 369,88,32,195 | 374,01,10,733 |
| Basic and diluted earnings per share (₹) | 103.62 | 86.71 |
| Face value per equity share (₹) | 1 | 1 |

## 19) Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

The Group has identified business segments ('industry vertical') as reportable segments. The business segments comprise: 1) Banking, Financial Services and Insurance, 2) Manufacturing, 3) Retail and Consumer Business, 4) Communication, Media and Technology, 5) Life Sciences and Healthcare and 6) Others such as Energy, Resources and Utilities, s-Governance and Products.

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

The assets and liabilities of the Group are used interchangeably amongst segments. Allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence assets and liabilities have not been identified to any of the reportable segments.

Summarised segment information for the years ended March 31,2022 and 2021, is as follows:

**Year ended March 31, 2022** (₹ crore)

| | Banking, Financial Services and Insurance | Manufacturing | Retail and Consumer Business | Communication, Media and Technology | Life Sciences and Healthcare | Others | Total |
|---|---|---|---|---|---|---|---|
| **Revenue from operations** | **75,126** | **18,610** | **30,715** | **31,874** | **20,462** | **14,967** | **1,91,754** |
| **Segment result** | **20,174** | **5,602** | **8,534** | **9,518** | **6,139** | **3,090** | **53,057** |
| Total unallocable expenses | | | | | | | 5,388 |
| **Operating income** | | | | | | | **47,669** |
| Other income | | | | | | | 4,018 |
| **Profit before tax** | | | | | | | **51,687** |
| Tax expense | | | | | | | 13,238 |
| **Profit for the year** | | | | | | | **38,449** |
| Depreciation and amortisation expense (unallocable) | | | | | | | 4,604 |
| Significant non-cash items (allocable) | 14 | (3) | 10 | 2 | (1) | 113 | 135 |

**Year ended March 31, 2021** (₹ crore)

| | Banking, Financial Services and Insurance | Manufacturing | Retail and Consumer Business | Communication, Media and Technology | Life Sciences and Healthcare | Others | Total |
|---|---|---|---|---|---|---|---|
| **Revenue from operations** | **65,634** | **15,950** | **25,589** | **27,077** | **16,968** | **12,959** | **1,64,177** |
| **Segment result** | **18,681** | **4,483** | **7,151** | **8,010** | **5,253** | **2,968** | **46,546** |
| Total unallocable expenses* | | | | | | | 5,920 |
| **Operating income** | | | | | | | **40,626** |
| Other income | | | | | | | 3,134 |
| **Profit before tax** | | | | | | | **43,760** |
| Tax expense | | | | | | | 11,198 |
| **Profit for the year** | | | | | | | **32,562** |
| Depreciation and amortisation expense (unallocable) | | | | | | | 4,065 |
| Significant non-cash items (allocable) | 15 | 1 | 78 | 9 | 1 | 97 | 201 |

*Includes the provision towards legal claim of ₹1,218 crore. Refer note 20.

Geographical revenue is allocated based on the location of the customers.

Information regarding geographical revenue is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Americas** | | |
| North America | 96,865 | 81,575 |
| Latin America | 3,207 | 2,703 |
| **Europe** | | |
| United Kingdom | 30,399 | 25,659 |
| Continental Europe | 30,743 | 26,687 |
| Asia Pacific | 16,927 | 15,830 |
| India | 9,805 | 8,449 |
| Middle East and Africa | 3,808 | 3,274 |
| | **1,91,754** | **1,64,177** |

Geographical non-current assets (property, plant and equipment, right-of-use assets, goodwill, other intangible assets, income tax assets and other non-current assets) are allocated based on the location of the assets.

Information regarding geographical non-current assets is as follows:

(₹ crore)

| **Geography** | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Americas** | | |
| North America | 1,637 | 1,630 |
| Latin America | 852 | 840 |
| **Europe** | | |
| United Kingdom | 1,470 | 1,546 |
| Continental Europe | 2,164 | 2,472 |
| Asia Pacific | 743 | 882 |
| India | 19,494 | 17,901 |
| Middle East and Africa | 152 | 134 |
| | **26,512** | **25,405** |

**Information about major customers**

No single customer represents 10% or more of the Group's total revenue for the years ended March 31, 2022 and 2021.

## 20) Commitments and contingencies

**Capital commitments**

The Group has contractually committed (net of advances) ₹1,439 crore and ₹1,071 crore as at March 31, 2022 and 2021, respectively, for purchase of property, plant and equipment.

**Contingencies**

- **Direct tax matters**

  Refer note 17.

- **Indirect tax matters**

  The Company and its subsidiaries have ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company and its subsidiaries have demands amounting to ₹568 crore and ₹556 crore as at March 31, 2022 and 2021, respectively, from various indirect tax authorities which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

- **Other claims**

  Claims aggregating ₹291 crore and ₹194 crore as at March 31, 2022 and 2021, respectively, against the Group have not been acknowledged as debts.

In addition to above, in October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin alleging unauthorised access to and download of their confidential information and use thereof in the development of the Company's product MedMantra. In April 2016, the Company received an unfavourable jury verdict awarding damages of ₹7,115 crore (US $940 million) to Epic which was thereafter reduced by the Trial Court to ₹3,179 crore (US $420 million). Pursuant to reaffirmation of the District Court order in March 2019, the Company filed an appeal in the Appeals Court to fully set aside the Order. Epic also filed a cross appeal challenging the reduction by the District Court judge of ₹757 crore (US $100 million) award and ₹1,514 crore (US $200 million) in punitive damages. On August 20, 2020, the Appeals Court vacated the award of ₹2,119 crore (US $280 million) in punitive damages considering the award to be constitutionally excessive and remanded the case back to District Court with instructions to reassess and reduce the punitive damages award to at most ₹1,060 crore (US $140 million), affirmed the District Court's decision vacating the jury's award of ₹757 crore (US $100 million) in compensatory damages for alleged use of "other confidential information" by the Company, and affirmed the District Court's decision upholding the jury's award of ₹1,060 crore (US $140 million) in compensatory damages for use of the comparative analysis by the Company. The proceedings for assessing punitive damages have been remanded back to the District Court. Both the Company and Epic have filed their briefs at the District Court in relation to punitive damages. The matter is under consideration by the District Court. On April 8, 2021, Epic approached the Supreme Court seeking review of the order of the Appeals Court vacating the award of ₹2,119 crore (US $280 million) towards punitive damages and remanding back to District Court with an instruction to reassess the punitive

damages, to no more than ₹1,060 crore (US $140 million). On March 21, 2022, Supreme Court denied Epic's petition seeking review of the order. The Company will continue to pursue all legal options available in the matter. Considering all the facts and various legal precedence, on a conservative and prudent basis, the Company provided ₹1,218 crore (US $165 million) towards this legal claim in its statement of profit and loss for three month period ended September 30, 2020. This was presented as an "exceptional item" in the consolidated statement of profit and loss.

Pursuant to US Court procedures, a Letter of Credit has been made available to Epic for ₹3,331 crore (US $440 million) as financial security in order to stay execution of the judgement pending post-appeal proceedings and conclusion.

- **Letter of comfort**

  The Company has given letter of comfort to banks for credit facilities availed by its subsidiaries. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiary and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiary.

The amounts assessed as contingent liability do not include interest that could be claimed by counter parties.

## 21) Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interests

| Name of the entity | Country of incorporation | % of voting power as at March 31, 2022 | % of voting power as at March 31, 2021 | Net assets, i.e. total assets minus total liabilities | | Share in Profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| Tata Consultancy Services Limited | India | - | - | 80.18 | 77,173 | 87.61 | 38,187 | 252.53 | (250) | 87.24 | 37,937 |
| **Subsidiaries (held directly)** | | | | | | | | | | | |
| **Indian** | | | | | | | | | | | |
| APTOnline Limited | India | 89.00 | 89.00 | 0.11 | 110 | 0.04 | 18 | 1.01 | (1) | 0.04 | 17 |
| MP Online Limited | India | 89.00 | 89.00 | 0.13 | 121 | 0.04 | 18 | 1.01 | (1) | 0.04 | 17 |
| C-Edge Technologies Limited | India | 51.00 | 51.00 | 0.33 | 313 | 0.17 | 73 | - | - | 0.17 | 73 |
| MahaOnline Limited | India | 74.00 | 74.00 | 0.08 | 80 | - | 1 | - | - | - | 1 |
| TCS e-Serve International Limited | India | 100.00 | 100.00 | 0.16 | 156 | 0.20 | 88 | - | - | 0.20 | 88 |
| TCS Foundation | India | 100.00 | 100.00 | 1.52 | 1,467 | 0.87 | 379 | - | - | 0.87 | 379 |
| **Foreign** | | | | | | | | | | | |
| Diligenta Limited | U.K. | 100.00 | 100.00 | 1.46 | 1,402 | 0.02 | 8 | (15.15) | 15 | 0.05 | 23 |
| Tata Consultancy Services Canada Inc. | Canada | 100.00 | 100.00 | 0.87 | 834 | 1.11 | 484 | - | - | 1.11 | 484 |
| Tata America International Corporation | U.S.A. | 100.00 | 100.00 | 1.27 | 1,219 | 1.65 | 721 | 4.04 | (4) | 1.65 | 717 |
| Tata Consultancy Services Asia Pacific Pte Ltd. | Singapore | 100.00 | 100.00 | 0.93 | 897 | 0.43 | 187 | - | - | 0.43 | 187 |

## Notes forming part of Consolidated Financial Statements

| Name of the entity | Country of incorporation | % of voting power as at March 31, 2022 | % of voting power as at March 31, 2021 | Net assets, i.e. total assets minus total liabilities | | Share in Profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| Tata Consultancy Services Belgium | Belgium | 100.00 | 100.00 | 0.44 | 426 | 0.22 | 98 | - | - | 0.23 | 98 |
| Tata Consultancy Services Deutschland GmbH | Germany | 100.00 | 100.00 | 0.66 | 631 | 0.77 | 334 | (9.09) | 9 | 0.79 | 343 |
| Tata Consultancy Services Netherlands BV | Netherlands | 100.00 | 100.00 | 2.74 | 2,636 | 1.23 | 536 | - | - | 1.23 | 536 |
| Tata Consultancy Services Sverige AB | Sweden | 100.00 | 100.00 | 0.92 | 887 | 0.36 | 157 | - | - | 0.36 | 157 |
| TCS FNS Pty Limited | Australia | 100.00 | 100.00 | 0.15 | 147 | 0.09 | 41 | - | - | 0.09 | 41 |
| TCS Iberoamerica SA | Uruguay | 100.00 | 100.00 | 1.74 | 1,678 | 1.65 | 718 | - | - | 1.65 | 718 |
| Tata Consultancy Services (Africa) (PTY) Ltd. | South Africa | 100.00 | 100.00 | 0.06 | 56 | 0.08 | 35 | - | - | 0.08 | 35 |
| Tata Consultancy Services Qatar L.L.C. | Qatar | 100.00 | 100.00 | 0.03 | 33 | - | 1 | - | - | - | 1 |
| Tata Consultancy Services UK Limited | U.K. | 100.00 | 100.00 | 0.03 | 27 | - | - | - | - | - | - |
| Tata Consultancy Services Ireland Limited | Ireland | 100.00 | 100.00 | 0.25 | 245 | 0.05 | 21 | - | - | 0.05 | 21 |
| **Subsidiaries (held indirectly)** | | | | | | | | | | | |
| **Foreign** | | | | | | | | | | | |
| TCS e-Serve America, Inc. | U.S.A. | - | 100.00 | - | - | - | - | - | - | - | - |

## Notes forming part of Consolidated Financial Statements

| Name of the entity | Country of incorporation | % of voting power as at March 31, 2022 | % of voting power as at March 31, 2021 | Net assets, i.e. total assets minus total liabilities | | Share in Profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| Tata Consultancy Services (China) Co., Ltd. | China | 93.20 | 93.20 | 0.27 | 260 | 0.03 | 14 | - | - | 0.03 | 14 |
| Tata Consultancy Services Japan, Ltd. | Japan | 66.00 | 66.00 | 1.53 | 1,476 | 0.60 | 263 | - | - | 0.60 | 263 |
| Tata Consultancy Services Malaysia Sdn Bhd | Malaysia | 100.00 | 100.00 | 0.08 | 74 | - | 1 | - | - | - | 1 |
| PT Tata Consultancy Services Indonesia | Indonesia | 100.00 | 100.00 | 0.03 | 32 | 0.03 | 13 | - | - | 0.03 | 13 |
| Tata Consultancy Services (Philippines) Inc. | Philippines | 100.00 | 100.00 | 0.12 | 113 | 0.12 | 54 | (2.02) | 2 | 0.13 | 56 |
| Tata Consultancy Services (Thailand) Limited | Thailand | 100.00 | 100.00 | 0.01 | 8 | - | 2 | - | - | - | 2 |
| Tata Consultancy Services Italia s.r.l. | Italy | 100.00 | 100.00 | 0.08 | 74 | 0.04 | 17 | - | - | 0.04 | 17 |
| Tata Consultancy Services Luxembourg S.A. | Capellen (G.D. de Luxembourg) | 100.00 | 100.00 | 0.11 | 109 | 0.12 | 53 | - | - | 0.12 | 53 |
| Tata Consultancy Services Switzerland Ltd. | Switzerland | 100.00 | 100.00 | 0.73 | 705 | 0.47 | 206 | (48.48) | 48 | 0.58 | 254 |
| Tata Consultancy Services Osterreich GmbH | Austria | 100.00 | 100.00 | - | 3 | - | (2) | - | - | - | (2) |
| Tata Consultancy Services Danmark ApS | Denmark | 100.00 | 100.00 | 0.01 | 6 | - | - | - | - | - | - |

## Notes forming part of Consolidated Financial Statements

| Name of the entity | Country of incorporation | % of voting power as at March 31, 2022 | % of voting power as at March 31, 2021 | Net assets, i.e. total assets minus total liabilities | | Share in Profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| Tata Consultancy Services De Espana S.A. | Spain | 100.00 | 100.00 | 0.07 | 70 | 0.04 | 19 | - | - | 0.04 | 19 |
| Tata Consultancy Services (Portugal) Unipessoal, Limitada | Portugal | 100.00 | 100.00 | 0.01 | 13 | 0.02 | 9 | - | - | 0.02 | 9 |
| Tata Consultancy Services France | France | 100.00 | 100.00 | (0.40) | (385) | 0.08 | 35 | (6.06) | 6 | 0.09 | 41 |
| Tata Consultancy Services Saudi Arabia | Saudi Arabia | 100.00 | 76.00 | 0.12 | 112 | (0.01) | (5) | 11.11 | (11) | (0.04) | (16) |
| TCS Business Services GmbH | Germany | 100.00 | 100.00 | 0.02 | 20 | 0.03 | 15 | (33.33) | 33 | 0.11 | 48 |
| TCS Technology Solutions AG | Germany | 100.00 | 100.00 | 0.24 | 230 | 0.49 | 213 | (39.39) | 39 | 0.58 | 252 |
| Saudi Desert Rose Holding B.V. | Netherlands | 100.00 | - | - | 2 | 0.08 | 34 | - | - | 0.08 | 34 |
| Tata Consultancy Services (South Africa) (PTY) Ltd. | South Africa | 100.00 | 100.00 | 0.10 | 92 | 0.09 | 40 | - | - | 0.09 | 40 |
| TCS Financial Solutions Beijing Co., Ltd. | China | 100.00 | 100.00 | 0.04 | 41 | - | 1 | - | - | - | 1 |
| TCS Financial Solutions Australia Pty Limited | Australia | 100.00 | 100.00 | 0.10 | 87 | 0.11 | 46 | - | - | 0.11 | 46 |
| Tata Consultancy Services Bulgaria EOOD | Bulgaria | 100.00 | - | 0.01 | 9 | 0.02 | 9 | - | - | 0.02 | 9 |
| TCS Solution Center S.A. | Uruguay | 100.00 | 100.00 | 0.37 | 357 | 0.28 | 120 | - | - | 0.28 | 120 |

## Notes forming part of Consolidated Financial Statements

| Name of the entity | Country of incorporation | % of voting power as at March 31, 2022 | % of voting power as at March 31, 2021 | Net assets, i.e. total assets minus total liabilities | | Share in Profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| TCS Uruguay S.A. | Uruguay | 100.00 | 100.00 | 0.12 | 117 | 0.24 | 104 | - | - | 0.24 | 104 |
| Tata Consultancy Services Argentina S.A. | Argentina | 100.00 | 100.00 | - | 2 | - | 1 | - | - | - | 1 |
| Tata Consultancy Services Do Brasil Ltda | Brazil | 100.00 | 100.00 | 0.34 | 324 | 0.15 | 65 | - | - | 0.15 | 65 |
| Tata Consultancy Services De Mexico S.A., De C.V. | Mexico | 100.00 | 100.00 | 0.63 | 606 | - | - | (15.15) | 15 | 0.03 | 15 |
| MGDC S.C. | Mexico | 100.00 | 100.00 | 0.04 | 43 | (0.18) | (79) | - | - | (0.17) | (79) |
| TCS Inversiones Chile Limitada | Chile | 100.00 | 100.00 | 0.33 | 315 | 0.19 | 81 | - | - | 0.19 | 81 |
| Tata Consultancy Services Chile S.A. | Chile | 100.00 | 100.00 | 0.40 | 384 | 0.20 | 86 | - | - | 0.20 | 86 |
| Tata Consultancy Services Guatemala, S.A. | Guatemala | 100.00 | - | 0.01 | 12 | 0.01 | 4 | - | - | 0.01 | 4 |
| TATASOLUTION CENTER S.A. | Ecuador | 100.00 | 100.00 | 0.11 | 104 | 0.11 | 48 | (1.03) | 1 | 0.12 | 49 |
| Trusts | India | - | - | 0.31 | 291 | 0.05 | 14 | - | - | 0.04 | 14 |
| **TOTAL** | | | | **100.00** | **96,244** | **100.00** | **43,586** | **100.00** | **(99)** | **100.00** | **43,487** |
| **a) Adjustments arising out of consolidation** | | | | | **(6,398)** | | **(5,137)** | | **4** | | **(5,133)** |
| **b) Non-controlling interests** | | | | | | | | | | | |
| **Indian subsidiaries** | | | | | | | | | | | |
| APTOnline Limited | | | | | (12) | | (2) | | - | | (2) |

## Notes forming part of Consolidated Financial Statements

| Name of the entity | Country of incorporation | % of voting power as at March 31, 2022 | % of voting power as at March 31, 2021 | Net assets, i.e. total assets minus total liabilities | | Share in Profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | As % of consolidated net assets | Amount (₹ crore) | As % of consolidated profit or loss | Amount (₹ crore) | As % of consolidated other comprehensive income | Amount (₹ crore) | As % of total comprehensive income | Amount (₹ crore) |
| MP Online Limited | | | | | (13) | | (2) | | - | | (2) |
| C-Edge Technologies Limited | | | | | (153) | | (36) | | - | | (36) |
| MahaOnline Limited | | | | | (21) | | - | | - | | - |
| **Foreign subsidiaries** | | | | | | | | | | | |
| Tata Consultancy Services (China) Co., Ltd. | | | | | (18) | | (1) | | (2) | | (3) |
| Tata Consultancy Services Japan, Ltd. | | | | | (490) | | (81) | | 34 | | (47) |
| **TOTAL** | | | | | **(707)** | | **(122)** | | **32** | | **(90)** |
| **TOTAL** | | | | | **89,139** | | **38,327** | | **(63)** | | **38,264** |

**Notes:**

1. Tata Consultancy Services Qatar S.S.C. renamed as Tata Consultancy Services Qatar L.L.C..
2. W12 Studios Limited renamed as Tata Consultancy Services UK Limited.
3. Equity stake increased to 100% in Tata Consultancy Services Saudi Arabia on acquisition of Saudi Desert Rose Holding B.V. w.e.f. May 26, 2021.
4. Tata Consultancy Services Ireland Limited incorporated a wholly owned subsidiary, Tata Consultancy Services Bulgaria EOOD in Bulgaria on August 31, 2021.
5. TCS Iberoamerica SA incorporated a subsidiary, Tata Consultancy Services Guatemala, S.A. in Guatemala on September 1, 2021.
6. Postbank Systems AG renamed as TCS Technology Solutions AG.
7. TCS e-Serve America, Inc. liquidated w.e.f. December 29, 2021.

## 22) Related party transactions

The Company's principal related parties consist of its holding company Tata Sons Private Limited and its subsidiaries, its own subsidiaries, affiliates and key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business. Refer note 21 for list of subsidiaries of the Company.

Transactions and balances with its own subsidiaries are eliminated on consolidation.

Transactions with related parties are as follows:

(₹ crore)

| | Year ended March 31, 2022 | | | | |
|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| Revenue from operations | 40 | 789 | 2,785 | - | 3,614 |
| Purchases of goods and services (including reimbursements) | - | 571 | 159 | - | 730 |
| Brand equity contribution | 204 | - | - | - | 204 |
| Facility expenses | 1 | 20 | 45 | - | 66 |
| Lease rental | - | 73 | 24 | - | 97 |
| Bad debts and advances written off, allowance for doubtful trade receivables and advances (net) | - | (3) | 1 | - | (2) |
| Contribution and advance to post employment benefit plans | - | - | - | 2,322 | 2,322 |
| Purchase of property, plant and equipment | - | 15 | 147 | - | 162 |
| Advances given | - | 3 | 6 | - | 9 |
| Advances recovered | - | 4 | 17 | - | 21 |
| Dividend paid | 9,609 | 5 | 2 | - | 9,616 |
| Buy-back of shares | 11,164 | 4 | 6 | - | 11,174 |

(₹ crore)

| | Year ended March 31, 2021 | | | | |
|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| Revenue from operations | 35 | 609 | 2,205 | - | 2,849 |
| Purchases of goods and services (including reimbursements) | 1 | 475 | 361 | - | 837 |
| Brand equity contribution | 180 | - | - | - | 180 |
| Facility expenses | - | 20 | 42 | - | 62 |
| Lease rental | 1 | 36 | 45 | - | 82 |
| Bad debts and advances written off, allowance for doubtful trade receivables and advances (net) | - | 2 | - | - | 2 |
| Contribution and advance to post employment benefit plans | - | - | - | 5,913 | 5,913 |
| Purchase of property, plant and equipment | - | 3 | 88 | - | 91 |
| Advances given | - | 1 | 6 | - | 7 |
| Advances recovered | - | 1 | 10 | - | 11 |
| Advances taken | - | 1 | 5 | - | 6 |
| Dividend paid | 7,817 | 4 | 3 | - | 7,824 |
| Buy-back of shares | 9,998 | 4 | - | - | 10,002 |

Balances receivable from related parties are as follows:

(₹ crore)

| | As at March 31, 2022 | | | | |
|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| Trade receivables and contract assets | 11 | 245 | 925 | - | 1,181 |
| Loans, other financial assets and other assets | 10 | 53 | 31 | - | 94 |
| | **21** | **298** | **956** | **-** | **1,275** |

(₹ crore)

| | As at March 31, 2021 | | | | |
|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| Trade receivables and contract assets | 8 | 260 | 714 | - | 982 |
| Loans, other financial assets and other assets | 9 | 27 | 62 | - | 98 |
| | **17** | **287** | **776** | **-** | **1,080** |

Balances payable to related parties are as follows:

(₹ crore)

| | As at March 31, 2022 | | | | |
|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities | 189 | 499 | 146 | - | 834 |
| Commitments and guarantees | - | 37 | 201 | - | 238 |

(₹ crore)

| | As at March 31, 2021 | | | | |
|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities | 175 | 299 | 394 | - | 868 |
| Commitments and guarantees | - | 10 | 270 | - | 280 |

Material related party transactions are as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Revenue from operations** | | |
| Jaguar Land Rover Limited | 1,500 | 1,093 |
| Tata Steel IJmuiden BV | 558 | 452 |

Material related party balances are as follows:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Trade receivables and contract assets** | | |
| Jaguar Land Rover Limited | 379 | 290 |

Transactions with key management personnel are as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Short-term benefits | 53 | 43 |
| Dividend paid during the year | 1 | 1 |
| | **54** | **44** |

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

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

**23)** The sitting fees and commission paid to non-executive directors is ₹12 crore and ₹10 crore as at March 31, 2022 and 2021, respectively.

**24)** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are notified. The Company and its Indian subsidiaries will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**25) Dividends**

Dividends paid during the year ended March 31, 2022 include an amount of ₹15.00 per equity share towards final dividend for the year ended March 31,2021 and an amount of ₹21.00 per equity share towards interim dividends for the year ended March 31, 2022. Dividends paid during the year ended March 31, 2021 include an amount of ₹6.00 per equity share towards final dividend for the year ended March 31, 2020 and an amount of ₹23.00 per equity share towards interim dividends for the year ended March 31, 2021.

Dividends declared by the Company are based on profits available for distribution. On April 11, 2022, the Board of Directors of the Company have proposed a final dividend of ₹22.00 per share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹8,050 crore.

As per our report of even date attached

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's registration no:
101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154

*Mumbai, April 11, 2022*

For and on behalf of the Board

**Rajesh Gopinathan**
*CEO and Managing Director*

**N Ganapathy Subramaniam**
*COO and Executive Director*

**Samir Seksaria**
*CFO*

**Pradeep Manohar Gaitonde**
*Company Secretary*

*Mumbai, April 11, 2022*

# Standalone Financial Statements



## Independent Auditor's Report

**To the Members of**
**Tata Consultancy Services Limited**

### Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Tata Consultancy Services Limited (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at 31 March 2022, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Description of Key Audit Matter

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Revenue recognition– Fixed price contracts** | |
| The Company inter alia engages in Fixed-price contracts, wherein, revenue is recognized using the percentage of completion computed as per the input method based on the Company's estimate of contract costs (Refer Note 4(a) and Note 10 to the standalone financial statements).<br><br>We identified revenue recognition of fixed price contracts where the percentage of completion is used as a Key Audit Matter since –<br><br>• there is an inherent risk and presumed fraud risk around the accuracy and existence of revenues recognised considering the customised and complex nature of these contracts and significant inputs of IT systems;<br><br>• application of revenue recognition accounting standard (Ind AS 115, Revenue from Contracts with customers) is complex and involves a number of key judgments and estimates mainly in identifying performance obligations, related transaction price and estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation;<br><br>• these contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Company; and<br><br>• at year-end, significant amount of work in progress (Contract assets), related to these contracts are recognised on the balance sheet. | Our audit procedures included the following:<br><br>• Obtained an understanding of the systems, processes and controls implemented by the Company for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances.<br><br>• Including involvement of our Information technology ('IT') specialists, as required:<br><br>➢ Assessed the IT environment in which the business systems operate and tested system controls over computation of revenue recognised;<br><br>➢ Tested the IT controls over appropriateness of cost and revenue reports generated by the system;<br><br>➢ Tested the controls pertaining to allocation of resources and budgeting systems which prevent the unauthorized recording/changes to costs incurred; and<br><br>➢ Tested on a random sampling basis the controls relating to the estimation of contract costs required to complete the respective projects.<br><br>• On selected specific and statistical samples of contracts, we tested that the revenue recognized is in accordance with the revenue recognition accounting standard including–<br><br>➢ Evaluated the identification of performance obligations and the ascribed transaction price;<br><br>➢ For testing Company's computation of the estimation of contract costs and onerous obligations, if any. We:<br><br>• assessed that the estimates of costs to complete were reviewed and approved by appropriate designated management personnel;<br><br>• performed a retrospective analysis of costs incurred with estimated costs to identify significant variations and challenged whether those variations are required to be considered in estimating the remaining costs to complete the contract;<br><br>• assessed the appropriateness of work in progress (contract assets) on balance sheet date by evaluating the underlying documentation to identify possible changes in estimated costs to complete the remaining performance obligations; and<br><br>• inspected underlying documents and performed analytics to determine reasonableness of contract costs. |

## Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 19 to the standalone financial statements.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"),

with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154
UDIN: 22060154AGVEXH5342

Mumbai
11 April 2022

## Annexure A to the Independent Auditor's report on the standalone financial statements of Tata Consultancy Services Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company

has granted loans to one company during the year, details of the loan is stated in sub-clause (a) below. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.

(a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to subsidiaries.

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to a party other than subsidiaries as below:

| Particulars | Amount (₹ in crores) |
|---|---|
| Aggregate amount during the year - Others | 13,655 |
| Balance outstanding as at balance sheet date - Others | 5,386 |

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year

since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

| Name of the Statute | Nature of the Dues | Amount (₹ in crores)** | Period | Forum where dispute is pending |
|---|---|---|---|---|
| The Income-tax Act, 1961 | Income-tax | 4,181 | Assessment Year - 2007-08, 2011-12, 2017-18, 2018-19 | Commissioner of Income-tax (Appeals) |
| | | 545 | Assessment Year - 2006-07, 2015-16 | Income-tax Appellate Tribunal |
| | | 39 | Assessment Year - 2008-09, 2009-10, 2010-11, 2016-17 | Assessing Officer / National Faceless Assessment Centre |
| The Central Sales Tax Act, 1956 and Value Added Tax Act | Sales tax and VAT | 233 | Financial Year - 1994-1995, 2004-2005, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-17, 2017-18 | High Court |
| | | 8 | Financial Year - 1990-1991, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2011-2012, 2012-2013 | Tribunal |
| | | 2 | Financial Year - 1995-1996, 1997-1998, 2004-2005, 2005-2006, 2011-2012, 2016-17, 2017-18 | Assistant Commissioner |
| | | 5 | Financial Year - 2008-2009, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2015-2016, 2016-2017 | Deputy Commissioner |
| | | 16 | Financial Year - 1997-1998, 2005-2006, 2012-13, 2013-2014, 2014-2015, 2015-2016, 2016-2017 | Joint Commissioner |
| The Finance Act, 1994 | Service tax | 2 | Financial Year - 2002-2003, 2003-2004, 2004-2005, 2008-09, 2009-2010, 2010-2011, 2011-2012, 2012-13, 2014-2015, 2015-2016, 2016-2017, 2017-2018 | Commissioner Appeals |
| | | 212 | Financial Year - 2006-2007, 2007-2008, 2009-2010, 2010-2011, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018 | Tribunal |
| Goods and Service Tax Act | GST | 2 | Financial Year – 2020-21 | Commissioner Appeals |
| | | 3 | Financial Year – 2019-20 | Assistant Commissioner |

** These amounts are net of amount paid/ adjusted under protest ₹ 769 crores

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154
UDIN: 22060154AGVEXH5342

Mumbai
11 April 2022

## Annexure B to the Independent Auditor's Report on the standalone financial statements of Tata Consultancy Services Limited for the year ended 31 March 2022

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Tata Consultancy Services Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control

based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154
UDIN: 22060154AGVEXH5342

Mumbai
11 April 2022

## Standalone Balance Sheet

(₹ crore)

| | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 8(a) | 9,669 | 9,821 |
| Capital work-in-progress | 8(a) | 1,146 | 861 |
| Right-of-use assets | 7 | 5,837 | 5,876 |
| Intangible assets | 8(b) | 1,018 | 362 |
| Financial assets | | | |
| Investments | 6(a) | 2,405 | 2,405 |
| Trade receivables | | | |
| Billed | 6(b) | 90 | 55 |
| Unbilled | | 53 | 260 |
| Loans | 6(e) | 8 | 2 |
| Other financial assets | 6(f) | 626 | 645 |
| Income tax assets (net) | | 1,643 | 1,501 |
| Deferred tax assets (net) | 15 | 2,779 | 3,160 |
| Other assets | 8(c) | 1,797 | 1,273 |
| **Total non-current assets** | | **27,071** | **26,221** |

(₹ crore)

| | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **Current assets** | | | |
| Inventories | 8(d) | 19 | 7 |
| Financial assets | | | |
| Investments | 6(a) | 29,262 | 28,324 |
| Trade receivables | | | |
| Billed | 6(b) | 29,852 | 25,222 |
| Unbilled | | 6,250 | 5,399 |
| Cash and cash equivalents | 6(c) | 8,197 | 1,112 |
| Other balances with banks | 6(d) | 5,495 | 2,030 |
| Loans | 6(e) | 5,653 | 10,486 |
| Other financial assets | 6(f) | 1,432 | 1,363 |
| Other assets | 8(c) | 8,032 | 9,217 |
| **Total current assets** | | **94,192** | **83,160** |
| **TOTAL ASSETS** | | **1,21,263** | **1,09,381** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 6(n) | 366 | 370 |
| Other equity | 9 | 76,807 | 74,424 |
| **Total equity** | | **77,173** | **74,794** |

## Standalone Balance Sheet

(₹ crore)

| | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Lease liabilities | | 4,879 | 5,077 |
| Other financial liabilities | 6(i) | 518 | 228 |
| Employee benefit obligations | 12 | 103 | 108 |
| Deferred tax liabilities (net) | 15 | 129 | 365 |
| Unearned and deferred revenue | | 560 | 284 |
| **Total non-current liabilities** | | **6,189** | **6,062** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Lease liabilities | | 976 | 835 |
| Trade payables | | | |
| Dues of small enterprises and micro enterprises | 6(g) | - | - |
| Dues of creditors other than small enterprises and micro enterprises | 6(h) | 10,082 | 7,962 |
| Other financial liabilities | 6(i) | 5,826 | 4,473 |
| Unearned and deferred revenue | | 3,013 | 2,877 |
| Other liabilities | 8(e) | 7,033 | 2,720 |
| Provisions | 8(f) | 1,377 | 1,350 |
| Employee benefit obligations | 12 | 2,844 | 2,598 |
| Income tax liabilities (net) | | 6,750 | 5,710 |
| **Total current liabilities** | | **37,901** | **28,525** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,21,263** | **1,09,381** |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's registration no:
101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154

*Mumbai, April 11, 2022*

For and on behalf of the Board

**Rajesh Gopinathan**
*CEO and Managing Director*

**N Ganapathy Subramaniam**
*COO and Executive Director*

**Samir Seksaria**
*CFO*

**Pradeep Manohar Gaitonde**
*Company Secretary*

*Mumbai, April 11, 2022*

## Standalone Statement of Profit and Loss

(₹ crore)

| | Note | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| Revenue from operations | 10 | 1,60,341 | 1,35,963 |
| Other income | 11 | 7,486 | 5,400 |
| **TOTAL INCOME** | | **1,67,827** | **1,41,363** |
| **Expenses** | | | |
| Employee benefit expenses | 12 | 81,097 | 69,046 |
| Cost of equipment and software licences | 13(a) | 1,010 | 1,230 |
| Finance costs | 14 | 486 | 537 |
| Depreciation and amortisation expense | | 3,522 | 3,053 |
| Other expenses | 13(b) | 31,989 | 25,377 |
| **TOTAL EXPENSES** | | **1,18,104** | **99,243** |
| **PROFIT BEFORE EXCEPTIONAL ITEM AND TAX** | | **49,723** | **42,120** |
| **Exceptional item** | | | |
| Provision towards legal claim | 19 | - | 1,218 |
| **PROFIT BEFORE TAX** | | **49,723** | **40,902** |
| **Tax expense** | | | |
| Current tax | 15 | 11,931 | 10,300 |
| Deferred tax | 15 | (395) | (358) |
| **TOTAL TAX EXPENSE** | | **11,536** | **9,942** |
| **PROFIT FOR THE YEAR** | | **38,187** | **30,960** |
| **OTHER COMPREHENSIVE INCOME (OCI)** | | | |
| **Items that will not be reclassified subsequently to profit or loss** | | | |
| Remeasurement of defined employee benefit plans | | 180 | (16) |
| **Income tax on items that will not be reclassified subsequently to profit or loss** | | (39) | 3 |
| **Items that will be reclassified subsequently to profit or loss** | | | |
| Net change in fair values of investments other than equity shares carried at fair value through OCI | | (516) | 51 |
| Net change in intrinsic value of derivatives designated as cash flow hedges | | (37) | 14 |
| Net change in time value of derivatives designated as cash flow hedges | | (34) | 53 |
| **Income tax on items that will be reclassified subsequently to profit or loss** | | 196 | (32) |
| **TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)** | | **(250)** | **73** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **37,937** | **31,033** |
| **Earnings per equity share:- Basic and diluted (₹)** | 16 | 103.24 | 82.78 |
| Weighted average number of equity shares | | 369,88,32,195 | 374,01,10,733 |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached
For **B S R & Co. LLP**
*Chartered Accountants*
Firm's registration no:
101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154

*Mumbai, April 11, 2022*

For and on behalf of the Board

**Rajesh Gopinathan**
*CEO and Managing Director*

**N Ganapathy Subramaniam**
*COO and Executive Director*

**Samir Seksaria**
*CFO*

**Pradeep Manohar Gaitonde**
*Company Secretary*

*Mumbai, April 11, 2022*

## Standalone Statement of Changes in Equity

### A. EQUITY SHARE CAPITAL

(₹ crore)

| Balance as at April 1, 2021 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2021 | Changes in equity share capital during the year* | Balance as at March 31, 2022 |
|---|---|---|---|---|
| 370 | - | 370 | (4) | 366 |

(₹ crore)

| Balance as at April 1, 2020 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2020 | Changes in equity share capital during the year* | Balance as at March 31, 2021 |
|---|---|---|---|---|
| 375 | - | 375 | (5) | 370 |

*Refer note 6(n).

### B. OTHER EQUITY

(₹ crore)

| | Reserves and surplus | | | | Items of other comprehensive income | | | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | Capital reserve* | Capital redemption reserve | Special Economic Zone re-investment reserve | Retained earnings | Investment revaluation reserve | Cash flow hedging reserve | | |
| | | | | | | Intrinsic value | Time value | |
| **Balance as at April 1, 2021** | **-** | **13** | **2,538** | **70,928** | **916** | **56** | **(27)** | **74,424** |
| Profit for the year | - | - | - | 38,187 | - | - | - | 38,187 |
| Other comprehensive income / (losses) | - | - | - | 141 | (336) | (29) | (26) | (250) |
| **Total comprehensive income** | **-** | **-** | **-** | **38,328** | **(336)** | **(29)** | **(26)** | **37,937** |
| Dividend | - | - | - | (13,317) | - | - | - | (13,317) |
| Expenses for buy-back of equity shares[1] | - | - | - | (49) | - | - | - | (49) |
| Tax on buy-back of equity shares[1] | - | - | - | (4,192) | - | - | - | (4,192) |
| Buy-back of equity shares[1] | - | 4 | - | (18,000) | - | - | - | (17,996) |
| Transfer to Special Economic Zone re-investment reserve | - | - | 9,407 | (9,407) | - | - | - | - |
| Transfer from Special Economic Zone re-investment reserve | - | - | (4,658) | 4,658 | - | - | - | - |
| **Balance as at March 31, 2022** | **-** | **17** | **7,287** | **68,949** | **580** | **27** | **(53)** | **76,807** |

## Standalone Statement of Changes in Equity

(₹ crore)

| | Reserves and surplus | | | | Items of other comprehensive income | | | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | Capital reserve* | Capital redemption reserve | Special Economic Zone re-investment reserve | Retained earnings | Investment revaluation reserve | Cash flow hedging reserve | | |
| | | | | | | Intrinsic value | Time value | |
| **Balance as at April 1, 2020** | **-** | **8** | **1,594** | **71,532** | **882** | **45** | **(68)** | **73,993** |
| Profit for the year | - | - | - | 30,960 | - | - | - | 30,960 |
| Other comprehensive income / (losses) | - | - | - | (13) | 34 | 11 | 41 | 73 |
| **Total comprehensive income** | **-** | **-** | **-** | **30,947** | **34** | **11** | **41** | **31,033** |
| Dividend | - | - | - | (10,850) | - | - | - | (10,850) |
| Expenses for buy-back of equity shares[1] | - | - | - | (31) | - | - | - | (31) |
| Tax on buy-back of equity shares[1] | - | - | - | (3,726) | - | - | - | (3,726) |
| Buy-back of equity shares[1] | - | 5 | - | (16,000) | - | - | - | (15,995) |
| Transfer to Special Economic Zone re-investment reserve | - | - | 5,058 | (5,058) | - | - | - | - |
| Transfer from Special Economic Zone re-investment reserve | - | - | (4,114) | 4,114 | - | - | - | - |
| **Balance as at March 31, 2021** | **-** | **13** | **2,538** | **70,928** | **916** | **56** | **(27)** | **74,424** |

*Represents values less than ₹0.50 crore.

[1]Refer Note 6(n).

Gain of ₹141 crore and loss of ₹13 crore on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended March 31, 2022 and 2021, respectively.

## Nature and purpose of reserves

**(a) Capital reserve**

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

**(b) Capital redemption reserve**

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

**(c) Special Economic Zone re-investment reserve**

The Special Economic Zone (SEZ) re-investment reserve is created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve will be utilised by the Company for acquiring new assets for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961.

**(d) Retained earnings**

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

**(e) Investment revaluation reserve**

This reserve represents the cumulative gains and losses arising on the revaluation of equity and debt instruments on the balance sheet date measured at fair value through other comprehensive income. The reserves accumulated will be reclassified to retained earnings and profit and loss respectively, when such instruments are disposed.

**(f) Cash flow hedging reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

As per our report of even date attached

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's registration no:
101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154

*Mumbai, April 11, 2022*

For and on behalf of the Board

**Rajesh Gopinathan**
*CEO and Managing Director*

**N Ganapathy Subramaniam**
*COO and Executive Director*

**Samir Seksaria**
*CFO*

**Pradeep Manohar Gaitonde**
*Company Secretary*

*Mumbai, April 11, 2022*

## Standalone Statement of Cash Flows

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| **Profit for the year** | 38,187 | 30,960 |
| **Adjustments for:** | | |
| Depreciation and amortisation expense | 3,522 | 3,053 |
| Bad debts and advances written off, allowance for doubtful trade receivables and advances (net) | 107 | 185 |
| Provision towards legal claim (Refer note 19) | - | 1,218 |
| Tax expense | 11,536 | 9,942 |
| Net gain on lease modification | (2) | (89) |
| Unrealised foreign exchange gain | (119) | (20) |
| Net gain on disposal of property, plant and equipment | (25) | (19) |
| Net gain on disposal / fair valuation of investments | (186) | (193) |
| Interest income | (2,555) | (2,383) |
| Dividend income (including exchange impact) | (3,554) | (2,211) |
| Finance costs | 486 | 537 |
| Realised foreign exchange gain on proceeds from liquidation of wholly owned subsidiary | - | (5) |
| **Operating profit before working capital changes** | **47,397** | **40,975** |
| **Net change in** | | |
| Inventories | (12) | (3) |
| Trade receivables | | |
| Billed | (4,761) | 3,282 |
| Unbilled | (644) | (572) |
| Loans and other financial assets | (152) | (54) |
| Other assets | 747 | (2,432) |
| Trade payables | 2,120 | (771) |
| Unearned and deferred revenue | 412 | 246 |
| Other financial liabilities | 968 | (171) |
| Other liabilities and provisions | 388 | 1,127 |
| **Cash generated from operations** | **46,463** | **41,627** |
| Taxes paid (net of refunds) | (10,336) | (7,805) |
| **Net cash generated from operating activities** | **36,127** | **33,822** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Bank deposits placed | (14,653) | (5,678) |
| Inter-corporate deposits placed | (13,655) | (20,139) |
| Purchase of investments | (70,826) | (51,822) |
| Payment for purchase of property, plant and equipment | (2,147) | (2,071) |
| Payment including advances for acquiring right-of-use assets | (13) | (101) |
| Payment for purchase of intangible assets | (457) | (242) |
| Payment towards subscription of shares in wholly owned subsidiary | - | (224) |
| Proceeds from bank deposits | 11,201 | 4,617 |
| Proceeds from inter-corporate deposits | 18,560 | 16,892 |
| Proceeds from disposal / redemption of investments | 69,451 | 49,333 |
| Proceeds from sub-lease receivable | 4 | - |
| Proceeds from disposal of property, plant and equipment | 29 | 31 |

## Standalone Statement of Cash Flows

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Proceeds from liquidation of wholly owned subsidiary | - | 12 |
| Interest received | 2,594 | 2,605 |
| Dividend received from subsidiaries | 3,554 | 2,211 |
| **Net cash generated from / (used in) investing activities** | **3,642** | **(4,576)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Repayment of lease liabilities | (935) | (879) |
| Interest paid | (478) | (537) |
| Dividend paid | (13,317) | (10,850) |
| Transfer of funds to buy-back escrow account | (180) | (160) |
| Transfer of funds from buy-back escrow account | 162 | 160 |
| Expenses for buy-back of equity shares (Refer note 6(n)) | (49) | (31) |
| Tax on buy-back of equity shares (Refer note 6(n)) | - | (3,726) |
| Buy-back of equity shares (Refer note 6(n)) | (18,000) | (16,000) |
| **Net cash used in financing activities** | **(32,797)** | **(32,023)** |
| **Net change in cash and cash equivalents** | **6,972** | **(2,777)** |
| Cash and cash equivalents at the beginning of the year | 1,112 | 3,852 |
| Exchange difference on translation of foreign currency cash and cash equivalents | 113 | 37 |
| **Cash and cash equivalents at the end of the year** | **8,197** | **1,112** |

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Components of cash and cash equivalents** | | |
| **Balances with banks** | | |
| In current accounts | 809 | 1,032 |
| In deposit accounts | 7,388 | 77 |
| Cheques on hand | -* | -* |
| Cash on hand | -* | -* |
| Remittances in transit | -* | 3 |
| | **8,197** | **1,112** |

*Represents values less than ₹0.50 crore.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Refer note 13(c) for amount spent during the years ended March 31, 2022 and 2021 on construction / acquisition of any asset and other purposes relating to CSR activities.

As per our report of even date attached

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's registration no:
101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154

*Mumbai, April 11, 2022*

For and on behalf of the Board

**Rajesh Gopinathan**
*CEO and Managing Director*

**N Ganapathy Subramaniam**
*COO and Executive Director*

**Samir Seksaria**
*CFO*

**Pradeep Manohar Gaitonde**
*Company Secretary*

*Mumbai, April 11, 2022*

## 1) Corporate information

Tata Consultancy Services Limited (referred to as "TCS Limited" or "the Company") provides IT services, consulting and business solutions and has been partnering with many of the world's largest businesses in their transformation journeys. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model recognised as a benchmark of excellence in software development.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai - 400001. As at March 31, 2022, Tata Sons Private Limited, the holding company owned 72.27% of the Company's equity share capital.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2022 and authorised for issue on April 11, 2022.

## 2) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

## 3) Basis of preparation

These standalone financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These standalone financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the standalone financial statements have been discussed in the respective notes.

## 4) Use of estimates and judgements

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of standalone financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its standalone financial statements:

### (a) Revenue recognition

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine degree of completion of the performance obligation.

### (b) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### (c) Impairment of investments in subsidiaries

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

### (d) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### (e) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

### (f) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

**(g) Employee benefits**

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

**(h) Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**(i) Impact of COVID-19 (pandemic)**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

## 5) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

## 6) Financial assets, financial liabilities and equity instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

**Cash and cash equivalents**

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, 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 assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

**Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

**Investment in subsidiaries**

Investment in subsidiaries are measured at cost less impairment loss, if any.

**Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

**Derivative accounting**

- **Instruments in hedging relationship**

  The Company designates certain foreign exchange forward, currency options and futures contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

  The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company.

The hedge instruments are designated and documented as hedges at the inception of the contract. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve.

The Company separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the intrinsic value and time value of an option is recognised in the other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in the statement of profit and loss when the forecasted transaction ultimately affects profit and loss. Any gain or loss is recognised immediately in the statement of profit and loss when the hedge becomes ineffective.

- **Instruments not in hedging relationship**

  The Company enters into contracts that are effective as hedges from an economic perspective, but they do not qualify for hedge accounting. The change in the fair value of such instrument is recognised in the statement of profit and loss.

**Impairment of financial assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## (a) Investments

Investments consist of the following:

### Investments – Non-current

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Investment in subsidiaries** | | |
| Fully paid equity shares (unquoted) | 2,405 | 2,405 |
| **Investments designated at fair value through OCI** | | |
| Fully paid equity shares (unquoted) | | |
| Taj Air Limited | 19 | 19 |
| Less: Impairment in value of investments | (19) | (19) |
| | **2,405** | **2,405** |

### Investments – Current

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Investments carried at fair value through profit or loss** | | |
| Mutual fund units (quoted) | 884 | 4,068 |
| **Investments carried at fair value through OCI** | | |
| Government bonds and securities (quoted) | 25,667 | 23,670 |
| Corporate bonds (quoted) | 1,242 | 450 |
| **Investments carried at amortised cost** | | |
| Certificate of deposits (quoted) | 99 | - |
| Commercial papers (quoted) | 381 | 136 |
| Treasury bills (quoted) | 989 | - |
| | **29,262** | **28,324** |

Government bonds and securities includes bonds pledged with bank for credit facility and with manager to the buy-back amounting to ₹3,560 crore and ₹1,650 crore as at March 31, 2022 and 2021, respectively.

Aggregate value of quoted and unquoted investments is as follows:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Aggregate value of quoted investments | 29,262 | 28,324 |
| Aggregate value of unquoted investments (net of impairment) | 2,405 | 2,405 |
| Aggregate market value of quoted investments | 29,263 | 28,324 |
| Aggregate value of impairment of investments | 19 | 19 |

Market value of quoted investments carried at amortised cost is as follows:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Certificate of deposits | 99 | - |
| Commercial papers | 381 | 136 |
| Treasury bills | 990 | - |

Carrying value of investment in equity instruments is as follows:

(₹ crore)

| In Numbers | Currency | Face value per share | Investment in subsidiaries | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|---|
| | | | **Fully paid equity shares (unquoted)** | | |
| 212,27,83,424 | UYU | 1 | TCS Iberoamerica SA | 461 | 461 |
| 15,75,300 | INR | 10 | APTOnline Limited | - | - |
| 1,300 | EUR | - | Tata Consultancy Services Belgium | 1 | 1 |

(₹ crore)

| In Numbers | Currency | Face value per share | Investment in subsidiaries | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|---|
| 66,000 | EUR | 1,000 | Tata Consultancy Services Netherlands BV | 403 | 403 |
| 1,000 | SEK | 100 | Tata Consultancy Services Sverige AB | 19 | 19 |
| 1 | EUR | - | Tata Consultancy Services Deutschland GmbH | 2 | 2 |
| 20,000 | USD | 10 | Tata America International Corporation | 453 | 453 |
| 75,82,820 | SGD | 1 | Tata Consultancy Services Asia Pacific Pte Ltd. | 19 | 19 |
| 3,72,58,815 | AUD | 1 | TCS FNS Pty Limited | 212 | 212 |
| 10,00,001 | GBP | 1 | Diligenta Limited | 429 | 429 |
| 1,000 | USD | - | Tata Consultancy Services Canada Inc. | -* | -* |
| 100 | CAD | 70,653.61 | Tata Consultancy Services Canada Inc. | 31 | 31 |
| 51,00,000 | INR | 10 | C-Edge Technologies Limited | 5 | 5 |
| 8,90,000 | INR | 10 | MP Online Limited | 1 | 1 |
| 1,40,00,000 | ZAR | 1 | Tata Consultancy Services (Africa) (PTY) Ltd. | 66 | 66 |
| 18,89,005 | INR | 10 | MahaOnline Limited | 2 | 2 |
| - | QAR | - | Tata Consultancy Services Qatar L.L.C. | 2 | 2 |
| 10,00,000 | INR | 100 | TCS e-Serve International Limited | 10 | 10 |
| 1,00,500 | GBP | 0.00001 | Tata Consultancy Services UK Limited | 66 | 66 |
| 2,50,00,000 | EUR | 1 | Tata Consultancy Services Ireland Limited | 224 | 224 |
| 10,00,000 | INR | 10 | TCS Foundation | - | - |
| | | | | **2,405** | **2,405** |

(₹ crore)

| In Numbers | Currency | Face value per share | Equity instruments designated at fair value through OCI | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|---|
| | | | **Fully paid equity shares (unquoted)** | | |
| 1,90,00,000 | INR | 10 | Taj Air Limited | 19 | 19 |
| | | | Less : Impairment in value of investments | (19) | (19) |
| | | | | **-** | **-** |

*Represents value less than ₹0.50 crore.

**Notes:**

1. Tata Consultancy Services Qatar S.S.C. renamed as Tata Consultancy Services Qatar L.L.C.
2. W12 Studios Limited renamed as Tata Consultancy Services UK Limited.

The movement in fair value of investments carried / designated at fair value through OCI is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **916** | **882** |
| Net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income | (516) | 51 |
| Deferred tax relating to net gain / (loss) arising on revaluation of investments other than equities carried at fair value through other comprehensive income | 180 | (17) |
| **Balance at the end of the year** | **580** | **916** |

## (b) Trade receivables - Billed

Trade receivables - Billed (unsecured) consist of the following:

**Trade receivables - Billed – Non-current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Trade receivables - Billed | 932 | 787 |
| Less: Allowance for doubtful trade receivables - Billed | (842) | (732) |
| **Considered good** | **90** | **55** |

Ageing for trade receivables – non-current outstanding as at March 31, 2022 is as follows:

(₹ crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade receivables - Billed** | | | | | | | |
| Undisputed trade receivables – considered good | - | - | 12 | 93 | 227 | 584 | 916 |
| Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivables – considered good | - | - | - | - | - | 16 | 16 |
| Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| | **-** | **-** | **12** | **93** | **227** | **600** | **932** |
| **Less: Allowance for doubtful trade receivables - Billed** | | | | | | | **(842)** |
| | | | | | | | **90** |
| **Trade receivables - Unbilled** | | | | | | | **53** |
| | | | | | | | **143** |

Ageing for trade receivables – non-current outstanding as at March 31, 2021 is as follows:

(₹ crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade receivables - Billed** | | | | | | | |
| Undisputed trade receivables – considered good | - | - | 17 | 154 | 86 | 514 | 771 |
| Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivables – considered good | - | - | - | - | - | 16 | 16 |
| Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | - | - |
| | **-** | **-** | **17** | **154** | **86** | **530** | **787** |
| **Less: Allowance for doubtful trade receivables - Billed** | | | | | | | **(732)** |
| | | | | | | | **55** |
| **Trade receivables - Unbilled** | | | | | | | **260** |
| | | | | | | | **315** |

**Trade receivables - Billed – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Trade receivables - Billed | 30,010 | 25,361 |
| Less: Allowance for doubtful trade receivables - Billed | (173) | (183) |
| **Considered good** | **29,837** | **25,178** |
| Trade receivables - Billed | 137 | 211 |
| Less: Allowance for doubtful trade receivables - Billed | (122) | (167) |
| **Credit impaired** | **15** | **44** |
| | **29,852** | **25,222** |

Above balances of trade receivables - billed include balances with related parties (Refer note 20).

Ageing for trade receivables – current outstanding as at March 31, 2022 is as follows:

(₹ crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade receivables - Billed** | | | | | | | |
| Undisputed trade receivables – considered good | 23,985 | 4,069 | 903 | 594 | 224 | 211 | 29,986 |
| Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables – credit impaired | - | - | - | 57 | 6 | 67 | 130 |
| Disputed trade receivables – considered good | - | - | - | - | - | 24 | 24 |
| Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | 7 | 7 |
| | **23,985** | **4,069** | **903** | **651** | **230** | **309** | **30,147** |
| **Less: Allowance for doubtful trade receivables - Billed** | | | | | | | **(295)** |
| | | | | | | | **29,852** |
| **Trade receivables - Unbilled** | | | | | | | **6,250** |
| | | | | | | | **36,102** |

Ageing for trade receivables – current outstanding as at March 31, 2021 is as follows:

(₹ crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade receivables - Billed** | | | | | | | |
| Undisputed trade receivables – considered good | 18,966 | 4,714 | 437 | 792 | 279 | 148 | 25,336 |
| Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables – credit impaired | - | 4 | 81 | 12 | 74 | 33 | 204 |
| Disputed trade receivables – considered good | - | 5 | - | - | 15 | 5 | 25 |
| Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | 7 | 7 |
| | **18,966** | **4,723** | **518** | **804** | **368** | **193** | **25,572** |
| **Less: Allowance for doubtful trade receivables - Billed** | | | | | | | **(350)** |
| | | | | | | | **25,222** |
| **Trade receivables - Unbilled** | | | | | | | **5,399** |
| | | | | | | | **30,621** |

## (c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Balances with banks** | | |
| In current accounts | 809 | 1,032 |
| In deposit accounts | 7,388 | 77 |
| Cheques on hand | -* | -* |
| Cash on hand | -* | -* |
| Remittances in transit | -* | 3 |
| | **8,197** | **1,112** |

*Represents value less than ₹0.50 crore.

## (d) Other balances with banks

Other balances with banks consist of the following:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Earmarked balances with banks | 195 | 182 |
| Short-term bank deposits | 5,300 | 1,848 |
| | **5,495** | **2,030** |

Earmarked balances with banks primarily relate to margin money for purchase of investments, margin money for derivative contracts, unclaimed dividends and balance in escrow account for buy-back of equity shares.

## (e) Loans

Loans (unsecured) consist of the following:

**Loans – Non-current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Considered good** | | |
| Loans and advances to employees | 8 | 2 |
| | **8** | **2** |

**Loans – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Considered good** | | |
| Inter-corporate deposits | 5,386 | 10,291 |
| Loans and advances to employees | 267 | 195 |
| **Credit impaired** | | |
| Loans and advances to employees | 22 | 15 |
| Less: Allowance on loans and advances to employees | (22) | (15) |
| | **5,653** | **10,486** |

Inter-corporate deposits placed with financial institutions yield fixed interest rate.

## (f) Other financial assets

Other financial assets consist of the following:

**Other financial assets – Non-current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Security deposits | 613 | 632 |
| Others | 13 | 13 |
| | **626** | **645** |

**Other financial assets – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Security deposits | 161 | 143 |
| Fair value of foreign exchange derivative assets | 388 | 495 |
| Interest receivable | 597 | 566 |
| Others | 286 | 159 |
| | **1,432** | **1,363** |

## (g) Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2022 and March 31, 2021 is as under:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Dues remaining unpaid to any supplier | | |
| Principal | - | - |
| Interest on the above | - | - |
| Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | 33 | 39 |
| Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006 | - | - |
| Amount of interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006* | - | - |

*Represents value less than ₹0.50 crore.

## (h) Trade payables

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(₹ crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade payables** | | | | | | |
| MSME* | - | - | - | - | - | - |
| Others | 2,673 | 2,541 | 46 | 27 | 80 | 5,367 |
| Disputed dues - MSME* | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | 32 | 32 |
| | **2,673** | **2,541** | **46** | **27** | **112** | **5,399** |
| **Accrued expenses** | | | | | | **4,683** |
| | | | | | | **10,082** |

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

(₹ crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| **Trade payables** | | | | | | |
| MSME* | - | - | - | - | - | - |
| Others | 1,591 | 1,884 | 153 | 16 | 62 | 3,706 |
| Disputed dues - MSME* | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | 32 | 32 |
| | **1,591** | **1,884** | **153** | **16** | **94** | **3,738** |
| **Accrued expenses** | | | | | | **4,224** |
| | | | | | | **7,962** |

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

## (i) Other financial liabilities

Other financial liabilities consist of the following:

**Other financial liabilities – Non-current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Capital creditors | 289 | - |
| Others | 229 | 228 |
| | **518** | **228** |

Others include advance taxes paid of ₹226 crore and ₹226 crore as at March 31, 2022 and 2021, respectively, by the seller of TCS e-Serve Limited (merged with the Company) which, on refund by tax authorities is payable to the seller.

**Other financial liabilities – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Accrued payroll | 3,914 | 3,029 |
| Unclaimed dividends | 46 | 50 |
| Fair value of foreign exchange derivative liabilities | 128 | 92 |
| Capital creditors | 723 | 347 |
| Liabilities towards customer contracts | 972 | 860 |
| Others | 43 | 95 |
| | **5,826** | **4,473** |

**(j) Financial instruments by category**

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

(₹ crore)

| | Fair value through profit or loss | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Amortised cost | Total carrying value |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalents | - | - | - | - | 8,197 | 8,197 |
| Bank deposits | - | - | - | - | 5,300 | 5,300 |
| Earmarked balances with banks | - | - | - | - | 195 | 195 |
| Investments (other than in subsidiary) | 884 | 26,909 | - | - | 1,469 | 29,262 |
| Trade receivables | | | | | | |
| Billed | - | - | - | - | 29,942 | 29,942 |
| Unbilled | - | - | - | - | 6,303 | 6,303 |
| Loans | - | - | - | - | 5,661 | 5,661 |
| Other financial assets | - | - | 124 | 264 | 1,670 | 2,058 |
| | **884** | **26,909** | **124** | **264** | **58,737** | **86,918** |
| **Financial liabilities** | | | | | | |
| Trade payables | - | - | - | - | 10,082 | 10,082 |
| Lease liabilities | - | - | - | - | 5,855 | 5,855 |
| Other financial liabilities | - | - | 22 | 106 | 6,216 | 6,344 |
| | **-** | **-** | **22** | **106** | **22,153** | **22,281** |

Loans include inter-corporate deposits of ₹5,386 crore, with original maturity period within 10 months.

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(₹ crore)

| | Fair value through profit or loss | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Amortised cost | Total carrying value |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalents | - | - | - | - | 1,112 | 1,112 |
| Bank deposits | - | - | - | - | 1,848 | 1,848 |
| Earmarked balances with banks | - | - | - | - | 182 | 182 |
| Investments (other than in subsidiary) | 4,068 | 24,120 | - | - | 136 | 28,324 |
| Trade receivables | | | | | | |
| Billed | - | - | - | - | 25,277 | 25,277 |
| Unbilled | - | - | - | - | 5,659 | 5,659 |
| Loans | - | - | - | - | 10,488 | 10,488 |
| Other financial assets | - | - | 163 | 332 | 1,513 | 2,008 |
| | **4,068** | **24,120** | **163** | **332** | **46,215** | **74,898** |
| **Financial liabilities** | | | | | | |
| Trade payables | - | - | - | - | 7,962 | 7,962 |
| Lease liabilities | - | - | - | - | 5,912 | 5,912 |
| Other financial liabilities | - | - | 2 | 90 | 4,609 | 4,701 |
| | **-** | **-** | **2** | **90** | **18,483** | **18,575** |

Loans include inter-corporate deposits of ₹10,291 crore, with original maturity period within 9 months.

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at March 31, 2022 and 2021, approximate the fair value due to their nature. Carrying amounts of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is ₹1,470 crore and ₹136 crore as at March 31, 2022 and 2021, respectively.

## (k) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

(₹ crore)

| As at March 31, 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Mutual fund units | 884 | - | - | 884 |
| Equity shares | - | - | - | - |
| Government bonds and securities | 25,667 | - | - | 25,667 |
| Corporate bonds | 1,242 | - | - | 1,242 |
| Certificate of deposits | 99 | - | - | 99 |
| Commercial papers | 381 | - | - | 381 |
| Treasury bills | 990 | | | 990 |
| Fair value of foreign exchange derivative assets | - | 388 | - | 388 |
| | **29,263** | **388** | **-** | **29,651** |
| **Financial liabilities** | | | | |
| Fair value of foreign exchange derivative liabilities | - | 128 | - | 128 |
| | **-** | **128** | **-** | **128** |

(₹ crore)

| As at March 31, 2021 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Mutual fund units | 4,068 | - | - | 4,068 |
| Equity shares | - | - | - | - |
| Government bonds and securities | 23,670 | - | - | 23,670 |
| Corporate bonds | 450 | - | - | 450 |
| Commercial papers | 136 | - | - | 136 |
| Fair value of foreign exchange derivative assets | - | 495 | - | 495 |
| | **28,324** | **495** | **-** | **28,819** |
| **Financial liabilities** | | | | |
| Fair value of foreign exchange derivative liabilities | - | 92 | - | 92 |
| | **-** | **92** | **-** | **92** |

## (I) Derivative financial instruments and hedging activity

The Company's revenue is denominated in various foreign currencies. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes the Company to currency fluctuations.

The Board of Directors has constituted a Risk Management Committee (RMC) to frame, implement and monitor the risk management plan of the Company which inter-alia covers risks arising out of exposure to foreign currency fluctuations. Under the guidance and framework provided by the RMC, the Company uses various derivative instruments such as foreign exchange forward, currency options and futures contracts in which the counter party is generally a bank.

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

| Foreign currency | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | No. of contracts | Notional amount of contracts (In million) | Fair value (₹ crore) | No. of contracts | Notional amount of contracts (In million) | Fair value (₹ crore) |
| US Dollar | 63 | 1,635 | 44 | 63 | 1,615 | 51 |
| Great Britain Pound | 41 | 338 | 55 | 64 | 330 | 14 |
| Euro | 53 | 382 | 25 | 60 | 346 | 78 |
| Australian Dollar | 30 | 202 | (21) | 38 | 206 | 16 |
| Canadian Dollar | 25 | 137 | (1) | 23 | 114 | 2 |

The movement in cash flow hedging reserve for derivatives designated as cash flow hedges is as follows:

(₹ crore)

| | Year ended March 31, 2022 | | Year ended March 31, 2021 | |
|---|---|---|---|---|
| | Intrinsic value | Time value | Intrinsic value | Time value |
| **Balance at the beginning of the year** | **56** | **(27)** | **45** | **(68)** |
| (Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions | (636) | 525 | (341) | 530 |
| Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions | 139 | (122) | 73 | (125) |
| Change in the fair value of effective portion of cash flow hedges | 599 | (559) | 355 | (477) |
| Deferred tax on change in the fair value of effective portion of cash flow hedges | (131) | 130 | (76) | 113 |
| **Balance at the end of the year** | **27** | **(53)** | **56** | **(27)** |

The Company has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at March 31, 2022 and 2021, the notional amount of outstanding contracts aggregated to ₹46,392 crore and ₹37,615 crore, respectively, and the respective fair value of these contracts have a net gain of ₹158 crore and ₹242 crore.

Exchange gain of ₹645 crore and ₹490 crore on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in the standalone statement of profit and loss for the years ended March 31, 2022 and 2021, respectively.

Net foreign exchange gain include gain of ₹111 crore and loss of ₹189 crore transferred from cash flow hedging reserve for the years ended March 31, 2022 and 2021, respectively.

Net loss on derivative instruments of ₹26 crore recognised in cash flow hedging reserve as at March 31, 2022, is expected to be transferred to the statement of profit and loss by March 31, 2023. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2022.

Following table summarises approximate gain / (loss) on the Company's other comprehensive income on account of appreciation / depreciation of the underlying foreign currencies:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| 10% Appreciation of the underlying foreign currencies | (387) | (306) |
| 10% Depreciation of the underlying foreign currencies | 2,034 | 1,906 |

## (m) Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

  Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

  The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. Further, any movement in the functional currency of the various operations of the Company against major foreign currencies may impact the Company's revenue in international business.

  The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

  The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign

exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which could affect the statements of profit and loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in note 6(I).

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2022:

(₹ crore)

| | USD | EUR | GBP | Others |
|---|---|---|---|---|
| Net financial assets | 515 | 89 | 147 | 1,709 |
| Net financial liabilities | (8,981) | (513) | (1,403) | (1,049) |

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately ₹949 crore for the year ended March 31, 2022.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2021:

(₹ crore)

| | USD | EUR | GBP | Others |
|---|---|---|---|---|
| Net financial assets | 3,981 | (9) | 264 | 1,390 |
| Net financial liabilities | (3,053) | (564) | (608) | (774) |

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately ₹63 crore for the year ended March 31, 2021.

- **Interest rate risk**

  The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

**Credit risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of ₹5,386 crore are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of ₹4,800 crore held with three Indian banks having high credit rating which is individually in excess of 10% or more of the Company's total bank deposits as at March 31, 2022. None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹90,388 crore and ₹77,949 crore as at March 31, 2022 and 2021, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments excluding equity and preference investments, trade receivables, loans, contract assets and other financial assets.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivable and contract assets as at March 31, 2022 and March 31, 2021.

- **Geographic concentration of credit risk**

Geographic concentration of trade receivables (gross and net of allowances) and contract assets is as follows:

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Gross% | Net% | Gross% | Net% |
| United States of America | 52.43 | 53.78 | 48.67 | 49.97 |
| India | 12.73 | 10.68 | 15.32 | 13.27 |
| United Kingdom | 16.47 | 16.84 | 17.05 | 17.42 |

Geographic concentration of trade receivables (gross and net of allowances) and contract assets is allocated based on the location of the customers.

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2022 and 2021 was ₹96 crore and ₹176 crore, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **1,082** | **938** |
| Change during the year | 96 | 176 |
| Bad debts written off | (39) | (30) |
| Translation Exchange difference | (2) | (2) |
| **Balance at the end of the year** | **1,137** | **1,082** |

**Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(₹ crore)

| **March 31, 2022** | Due in 1st year | Due in 2nd year | Due in 3rd to 5th year | Due after 5th year | Total |
|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | |
| Trade payables | 10,082 | - | - | - | 10,082 |
| Borrowings | - | - | - | - | - |
| Lease liabilities | 1,345 | 1,186 | 2,460 | 2,732 | 7,723 |
| Other financial liabilities | 5,721 | 294 | 228 | 5 | 6,248 |
| | **17,148** | **1,480** | **2,688** | **2,737** | **24,053** |
| **Derivative financial liabilities** | 128 | - | - | - | 128 |
| | **17,276** | **1,480** | **2,688** | **2,737** | **24,181** |

(₹ crore)

| **March 31, 2021** | Due in 1st year | Due in 2nd year | Due in 3rd to 5th year | Due after 5th year | Total |
|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | | |
| Trade payables | 7,962 | - | - | - | 7,962 |
| Lease liabilities | 1,239 | 1,157 | 2,590 | 3,098 | 8,084 |
| Other financial liabilities | 4,381 | - | 228 | - | 4,609 |
| | **13,582** | **1,157** | **2,818** | **3,098** | **20,655** |
| **Derivative financial liabilities** | 92 | - | - | - | 92 |
| | **13,674** | **1,157** | **2,818** | **3,098** | **20,747** |

## (n) Equity instruments

The authorised, issued, subscribed and fully paid up share capital consist of the following:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Authorised** | | |
| 460,05,00,000 equity shares of ₹1 each (March 31, 2021: 460,05,00,000 equity shares of ₹1 each) | 460 | 460 |
| 105,02,50,000 preference shares of ₹1 each (March 31, 2021: 105,02,50,000 preference shares of ₹1 each) | 105 | 105 |
| | **565** | **565** |
| **Issued, Subscribed and Fully paid up** | | |
| 365,90,51,373 equity shares of ₹1 each (March 31, 2021: 369,90,51,373 equity shares of ₹1 each) | 366 | 370 |
| | **366** | **370** |

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

The Board of Directors at its meeting held on January 12, 2022, approved a proposal to buy-back upto 4,00,00,000 equity shares of the Company for an aggregate amount not exceeding ₹18,000 crore, being 1.08% of the total paid up equity share capital at ₹4,500 per equity share. The shareholders approved the same on February 12, 2022, by way of a special resolution through postal ballot. A Letter of Offer was made to all eligible shareholders. The Company bought back 4,00,00,000 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares on March 29, 2022. Capital redemption reserve was created to the extent of share capital extinguished (₹4 crore). The excess cost of buy-back of ₹18,049 crore (including ₹49 crore towards transaction cost of buy-back) over par value of shares and corresponding tax on buy-back of ₹4,192 crore were offset from retained earnings.

### I. Reconciliation of number of shares

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Number of shares | Amount (₹ crore) | Number of shares | Amount (₹ crore) |
| **Equity shares** | | | | |
| **Opening balance** | **369,90,51,373** | **370** | **375,23,84,706** | **375** |
| Shares extinguished on buy-back | (4,00,00,000) | (4) | (5,33,33,333) | (5) |
| **Closing balance** | **365,90,51,373** | **366** | **369,90,51,373** | **370** |

### II. Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹1 each. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the

approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## III. Shares held by Holding company, its Subsidiaries and Associates

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Equity shares** | | |
| **Holding company** | | |
| 264,43,17,117 equity shares (March 31, 2021: 266,91,25,829 equity shares) are held by Tata Sons Private Limited | 264 | 267 |
| **Subsidiaries and Associates of Holding company** | | |
| 7,220 equity shares (March 31, 2021: 7,220 equity shares) are held by Tata Industries Limited* | - | - |
| 10,14,172 equity shares (March 31, 2021: 10,23,685 equity shares) are held by Tata Investment Corporation Limited* | - | - |
| 46,798 equity shares (March 31, 2021: 46,798 equity shares) are held by Tata Steel Limited* | - | - |
| 766 equity shares (March 31, 2021: 766 equity shares) are held by The Tata Power Company Limited* | - | - |
| | **264** | **267** |

*Equity shares having value less than ₹0.50 crore.

## IV. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Equity shares** | | |
| Tata Sons Private Limited, the holding company | 264,43,17,117 | 266,91,25,829 |
| % of shareholding | 72.27% | 72.16% |

## V. Equity shares movement during the 5 years preceding March 31, 2022

- **Equity shares issued as bonus**

  The Company allotted 191,42,87,591 equity shares as fully paid up bonus shares by capitalisation of profits transferred from retained earnings amounting to ₹86 crore and capital redemption reserve amounting to ₹106 crore in three month period ended June 30, 2018, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

- **Equity shares extinguished on buy-back**

  The Company bought back 4,00,00,000 equity shares for an aggregate amount of ₹18,000 crore being 1.08% of the total paid up equity share capital at ₹4,500 per equity share. The equity shares bought back were extinguished on March 29, 2022.

  The Company bought back 5,33,33,333 equity shares for an aggregate amount of ₹16,000 crore being 1.42% of the total paid up equity share capital at ₹3,000 per equity share. The equity shares bought back were extinguished on January 6, 2021.

The Company bought back 7,61,90,476 equity shares for an aggregate amount of ₹16,000 crore being 1.99% of the total paid up equity share capital at ₹2,100 per equity share. The equity shares bought back were extinguished on September 26, 2018.

The Company bought back 5,61,40,350 equity shares for an aggregate amount of ₹16,000 crore being 2.85% of the total paid up equity share capital at ₹2,850 per equity share. The equity shares bought back were extinguished on June 7, 2017.

## VI. Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

| Promoter name | Shares held by promoters | | | | % Change during the year |
|---|---|---|---|---|---|
| | As at March 31, 2022 | | As at March 31, 2021 | | |
| | No. of shares | % of total shares | No. of shares | % of total shares | |
| Tata Sons Private Limited | 264,43,17,117 | 72.27% | 266,91,25,829 | 72.16% | 0.11% |
| **Total** | **264,43,17,117** | **72.27%** | **266,91,25,829** | **72.16%** | **0.11%** |

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

| Promoter name | Shares held by promoters | | | | % Change during the year |
|---|---|---|---|---|---|
| | As at March 31, 2021 | | As at March 31, 2020 | | |
| | No. of shares | % of total shares | No. of shares | % of total shares | |
| Tata Sons Private Limited | 266,91,25,829 | 72.16% | 270,24,50,947 | 72.02% | 0.14% |
| **Total** | **266,91,25,829** | **72.16%** | **270,24,50,947** | **72.02%** | **0.14%** |

## 7) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease

payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**Company as a lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

The details of the right-of-use assets held by the Company is as follows:

(₹ crore)

| | Additions for the year ended March 31, 2022 | Net carrying amount as at March 31, 2022 |
|---|---|---|
| Leasehold land | 100 | 774 |
| Buildings | 779 | 4,860 |
| Leasehold improvement | - | 4 |
| Computer equipment | 3 | 66 |
| Software licences | 145 | 133 |
| Vehicles* | - | - |
| | **1,027** | **5,837** |

*Represents value less than ₹0.50 crore.

(₹ crore)

| | Additions for the year ended March 31, 2021 | Net carrying amount as at March 31, 2021 |
|---|---|---|
| Leasehold land | - | 682 |
| Buildings | 840 | 5,083 |
| Leasehold improvement | 6 | 6 |
| Computer equipment | 81 | 79 |
| Software licences | 26 | 25 |
| Vehicles | 1 | 1 |
| | **954** | **5,876** |

Depreciation on right-of-use assets is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Leasehold land | 9 | 8 |
| Buildings | 991 | 995 |
| Leasehold improvement | 3 | 3 |
| Computer equipment | 15 | 3 |
| Software licences | 38 | 1 |
| Vehicles | 1 | 1 |
| | **1,057** | **1,011** |

Interest on lease liabilities is ₹451 crore and ₹450 crore for the years ended March 31, 2022 and 2021, respectively.

The Company incurred ₹162 crore and ₹189 crore for the years ended March 31, 2022 and 2021, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is ₹1,561 crore and ₹1,619 crore for the years ended March 31, 2022 and 2021, respectively, including cash outflow for short term and low value leases.

The Company has lease term extension options that are not reflected in the measurement of lease liabilities. The present value of future cash outflows for such extension periods is ₹722 crore and ₹660 crore as at March 31, 2022 and 2021, respectively.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

## 8) Non-financial assets and non-financial liabilities

### (a) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual

values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

| Type of asset | Useful lives |
|---|---|
| Buildings | 20 years |
| Leasehold improvements | Lease term |
| Plant and equipment | 10 years |
| Computer equipment | 4 years |
| Vehicles | 4 years |
| Office equipment | 2-5 years |
| Electrical installations | 4-10 years |
| Furniture and fixtures | 5 years |

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Property, plant and equipment consist of the following:

(₹ crore)

| | Freehold land | Buildings | Leasehold improvements | Plant and equipment | Computer equipment | Vehicles | Office equipment | Electrical installations | Furniture and fixtures | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost as at April 1, 2021** | **323** | **7,688** | **1,817** | **718** | **8,781** | **36** | **2,302** | **1,883** | **1,509** | **25,057** |
| Additions | - | 51 | 86 | 35 | 1,606 | - | 160 | 33 | 41 | 2,012 |
| Disposals | - | (2) | (18) | (1) | (462) | (1) | (67) | (44) | (38) | (633) |
| **Cost as at March 31, 2022** | **323** | **7,737** | **1,885** | **752** | **9,925** | **35** | **2,395** | **1,872** | **1,512** | **26,436** |
| **Accumulated depreciation as at April 1, 2021** | **-** | **(2,897)** | **(1,108)** | **(293)** | **(6,349)** | **(31)** | **(2,001)** | **(1,270)** | **(1,287)** | **(15,236)** |
| Depreciation | - | (391) | (131) | (73) | (1,172) | (3) | (151) | (140) | (99) | (2,160) |
| Disposals | - | 2 | 18 | - | 460 | 1 | 67 | 43 | 38 | 629 |
| **Accumulated depreciation as at March 31, 2022** | **-** | **(3,286)** | **(1,221)** | **(366)** | **(7,061)** | **(33)** | **(2,085)** | **(1,367)** | **(1,348)** | **(16,767)** |
| **Net carrying amount as at March 31, 2022** | **323** | **4,451** | **664** | **386** | **2,864** | **2** | **310** | **505** | **164** | **9,669** |
| Capital work-in-progress* | | | | | | | | | | 1,146 |
| **Total** | | | | | | | | | | **10,815** |

*₹2,012 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2022.

(₹ crore)

| | Freehold land | Buildings | Leasehold improvements | Plant and equipment | Computer equipment | Vehicles | Office equipment | Electrical installations | Furniture and fixtures | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost as at April 1, 2020** | **323** | **7,628** | **1,824** | **667** | **7,273** | **39** | **2,263** | **1,882** | **1,510** | **23,409** |
| Additions | - | 71 | 53 | 51 | 1,610 | 2 | 77 | 28 | 29 | 1,921 |
| Disposals | - | (11) | (60) | - | (102) | (5) | (38) | (27) | (30) | (273) |
| **Cost as at March 31, 2021** | **323** | **7,688** | **1,817** | **718** | **8,781** | **36** | **2,302** | **1,883** | **1,509** | **25,057** |
| **Accumulated depreciation as at April 1, 2020** | **-** | **(2,518)** | **(1,042)** | **(224)** | **(5,536)** | **(32)** | **(1,868)** | **(1,152)** | **(1,202)** | **(13,574)** |
| Depreciation | - | (387) | (126) | (69) | (909) | (4) | (170) | (143) | (115) | (1,923) |
| Disposals | - | 8 | 60 | - | 96 | 5 | 37 | 25 | 30 | 261 |
| **Accumulated depreciation as at March 31, 2021** | **-** | **(2,897)** | **(1,108)** | **(293)** | **(6,349)** | **(31)** | **(2,001)** | **(1,270)** | **(1,287)** | **(15,236)** |
| **Net carrying amount as at March 31, 2021** | **323** | **4,791** | **709** | **425** | **2,432** | **5** | **301** | **613** | **222** | **9,821** |
| Capital work-in-progress* | | | | | | | | | | 861 |
| **Total** | | | | | | | | | | **10,682** |

*₹1,921 crore has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.

**Capital work-in-progress**

- **Capital work-in-progress ageing**

  Ageing for capital work-in-progress as at March 31, 2022 is as follows:

(₹ crore)

| Capital work-in-progress | Amount in capital work-in-progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 639 | 97 | 37 | 373 | 1,146 |
| | **639** | **97** | **37** | **373** | **1,146** |

  Ageing for capital work-in-progress as at March 31, 2021 is as follows:

(₹ crore)

| Capital work-in-progress | Amount in capital work-in-progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Projects in progress | 423 | 60 | 41 | 337 | 861 |
| | **423** | **60** | **41** | **337** | **861** |

- Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

## (b) Intangible assets

Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Intangible assets consist of the following:

(₹ crore)

| | Rights under licensing agreement and software licences |
|---|---|
| **Cost as at April 1, 2021** | **580** |
| Additions | 961 |
| Disposals / Derecognised | (11) |
| **Cost as at March 31, 2022** | **1,530** |
| **Accumulated amortisation as at April 1, 2021** | **(218)** |
| Amortisation | (305) |
| Disposals / Derecognised | 11 |
| **Accumulated amortisation as at March 31, 2021** | **(512)** |
| **Net carrying amount as at March 31, 2022** | **1,018** |

(₹ crore)

| | Rights under licensing agreement and software licences |
|---|---|
| **Cost as at April 1, 2020** | **401** |
| Additions | 242 |
| Disposals / Derecognised | (63) |
| **Cost as at March 31, 2021** | **580** |
| **Accumulated amortisation as at April 1, 2020** | **(162)** |
| Amortisation | (119) |
| Disposals / Derecognised | 63 |
| **Accumulated amortisation as at March 31, 2021** | **(218)** |
| **Net carrying amount as at March 31, 2021** | **362** |

The estimated amortisation for years subsequent to March 31, 2022 is as follows:

(₹ crore)

| **Year ending March 31,** | Amortisation expense |
|---|---|
| 2023 | 421 |
| 2024 | 375 |
| 2025 | 203 |
| 2026 | 19 |
| | **1,018** |

**(c) Other assets**

Other assets consist of the following:

**Other assets – Non-current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Considered good** | | |
| Capital advances | 75 | 65 |
| Advances to related parties | 23 | 33 |
| Contract assets | 136 | 120 |
| Prepaid expenses | 1,197 | 527 |
| Contract fulfillment costs | 81 | 137 |
| Others | 285 | 391 |
| | **1,797** | **1,273** |
| **Advances to related parties, considered good, comprise:** | | |
| Voltas Limited | -* | 2 |
| Tata Realty and Infrastructure Ltd | -* | -* |
| Tata Projects Limited | 23 | 30 |
| Titan Engineering and Automation Limited | -* | -* |

*Represents value less than ₹0.50 crore.

**Other assets – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Considered good** | | |
| Advance to suppliers | 117 | 83 |
| Advance to related parties | 8 | 10 |
| Contract assets | 3,334 | 2,931 |
| Prepaid expenses | 2,735 | 4,260 |
| Prepaid rent | 7 | 6 |
| Contract fulfillment costs | 616 | 534 |
| Indirect taxes recoverable | 1,001 | 1,172 |
| Others | 214 | 221 |
| **Considered doubtful** | | |
| Advance to suppliers | 2 | 3 |
| Other advances | 2 | 2 |
| Less: Allowance on doubtful assets | (4) | (5) |
| | **8,032** | **9,217** |
| **Advance to related parties, considered good comprise:** | | |
| The Titan Company Limited | - | 2 |
| Tata AIG General Insurance Company Limited | 1 | 1 |
| Tata Sons Private Limited | 7 | 7 |

Non-current – Others includes advance of ₹271 crore and ₹369 crore towards acquiring right-of-use of leasehold land as at March 31, 2022 and 2021, respectively.

Contract fulfillment costs of ₹564 crore and ₹358 crore for the years ended March 31, 2022 and 2021, respectively, have been amortised in the standalone statement of profit and loss. Refer note 10 for the changes in contract asset.

**(d) Inventories**

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

Inventories consist of the following:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Raw materials, sub-assemblies and components | 16 | 7 |
| Finished goods and work-in-progress | 3 | -* |
| | **19** | **7** |

*Represents value less than ₹0.50 crore.

**(e) Other liabilities**

Other liabilities consist of the following:

**Other liabilities – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Advance received from customers | 473 | 156 |
| Indirect taxes payable and other statutory liabilities | 2,271 | 2,537 |
| Tax liability on buy-back of equity shares* | 4,192 | - |
| Others | 97 | 27 |
| | **7,033** | **2,720** |

*Refer note 6(n).

**(f) Provisions**

Provisions consist of the following:

**Provisions – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Provision towards legal claim (Refer note 19) | 1,249 | 1,211 |
| Provision for foreseeable loss | 125 | 127 |
| Other provisions | 3 | 12 |
| | **1,377** | **1,350** |

## 9) Other equity

Other equity consist of the following:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Capital reserve*** | **-** | **-** |
| **Capital redemption reserve** | | |
| **Opening balance** | **13** | **8** |
| Transfer from retained earnings | 4 | 5 |
| | **17** | **13** |
| **Special Economic Zone re-investment reserve** | | |
| **Opening balance** | **2,538** | **1,594** |
| Transfer from retained earnings | 9,407 | 5,058 |
| Transfer to retained earnings | (4,658) | (4,114) |
| | **7,287** | **2,538** |
| **Retained earnings** | | |
| **Opening balance** | **70,928** | **71,532** |
| Profit for the year | 38,187 | 30,960 |
| Remeasurement of defined employee benefit plans | 141 | (13) |
| Expenses for buy-back of equity shares[1] | (49) | (31) |
| Tax on buy-back of equity shares[1] | (4,192) | (3,726) |
| Buy-back of equity shares[1] | (17,996) | (15,995) |
| Transfer from Special Economic Zone re-investment reserve | 4,658 | 4,114 |
| | 91,677 | 86,841 |

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Less: Appropriations | | |
| Dividend on equity shares | 13,317 | 10,850 |
| Transfer to capital redemption reserve[1] | 4 | 5 |
| Transfer to Special Economic Zone re-investment reserve | 9,407 | 5,058 |
| | **68,949** | **70,928** |
| **Investment revaluation reserve** | | |
| **Opening balance** | **916** | **882** |
| Change during the year (net) | (336) | 34 |
| | **580** | **916** |
| **Cash flow hedging reserve (Refer note 6(I))** | | |
| **Opening balance** | **29** | **(23)** |
| Change during the year (net) | (55) | 52 |
| | **(26)** | **29** |
| | **76,807** | **74,424** |

*Represents value less than ₹0.50 crore.

[1]Refer Note 6(n).

## 10) Revenue recognition

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight-lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether

the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Consultancy services | 1,59,106 | 1,34,585 |
| Sale of equipment and software licences | 1,235 | 1,378 |
| | **1,60,341** | **1,35,963** |

Revenue disaggregation by industry vertical is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Banking, Financial Services and Insurance | 58,614 | 51,189 |
| Manufacturing | 14,576 | 11,747 |
| Retail and Consumer Business | 26,966 | 22,219 |
| Communication, Media and Technology | 28,778 | 24,243 |
| Life Sciences and Healthcare | 18,341 | 14,920 |
| Others | 13,066 | 11,645 |
| | **1,60,341** | **1,35,963** |

Revenue disaggregation by geography is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Americas** | | |
| North Ame rica | 90,630 | 76,510 |
| Latin America | 314 | 288 |
| **Europe** | | |
| United Kingdom | 27,595 | 22,913 |
| Continental Europe | 17,595 | 15,364 |
| Asia Pacific | 11,178 | 9,839 |
| India | 9,547 | 8,102 |
| Middle East and Africa | 3,482 | 2,947 |
| | **1,60,341** | **1,35,963** |

Geographical revenue is allocated based on the location of the customers.

**Information about major customers**

No single customer represents 10% or more of the Company's total revenue during the years ended March 31, 2022 and 2021.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹93,546 crore out of which 56.71% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **3,051** | **3,486** |
| Invoices raised that were included in the contract assets balance at the beginning of the year | (2,464) | (2,795) |
| Increase due to revenue recognised during the year, excluding amounts billed during the year | 2,828 | 2,332 |
| Translation exchange difference | 55 | 28 |
| **Balance at the end of the year** | **3,470** | **3,051** |

Changes in unearned and deferred revenue are as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **3,161** | **2,915** |
| Revenue recognised that was included in the contract liability balance at the beginning of the year | (2,311) | (2,388) |
| Increase due to invoicing during the year, excluding amounts recognised as revenue during the year | 2,735 | 2,602 |
| Translation exchange difference | (12) | 32 |
| **Balance at the end of the year** | **3,573** | **3,161** |

Reconciliation of revenue recognised with the contracted price is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Contracted price | 1,62,898 | 1,38,292 |
| Reductions towards variable consideration components | (2,557) | (2,329) |
| **Revenue recognised** | **1,60,341** | **1,35,963** |

The reduction towards variable consideration comprises of volume discounts, service level credits, etc.

## 11) Other income

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

Other income consist of the following:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Interest income | 2,555 | 2,383 |
| Dividend income | 3,548 | 2,213 |
| Net gain on disposal / fair valuation of investments carried at fair value through profit or loss | 186 | 193 |
| Net gain on disposal of property, plant and equipment | 25 | 19 |
| Net gain on lease modification | 2 | 89 |
| Net foreign exchange gain | 1,068 | 428 |
| Rent income | 21 | 7 |
| Other income | 81 | 68 |
| | **7,486** | **5,400** |
| **Interest income comprise:** | | |
| Interest on bank balances and bank deposits | 256 | 107 |
| Interest on financial assets carried at amortised cost | 481 | 500 |
| Interest on financial assets carried at fair value through OCI | 1,818 | 1,762 |
| Other interest (including interest on tax refunds) | - | 14 |
| **Dividend income comprise:** | | |
| Dividend from subsidiaries | 3,548 | 2,213 |

## 12) Employee benefits

### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

The Company provides benefits such as gratuity, pension and provident fund (Company managed fund) to its employees which are treated as defined benefit plans.

**Defined contribution plans**

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

The Company provides benefits such as superannuation and foreign defined contribution plans to its employees which are treated as defined contribution plans.

**Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Compensated absences**

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Employee benefit expenses consist of the following:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Salaries, incentives and allowances | 73,115 | 63,006 |
| Contributions to provident and other funds | 5,734 | 4,321 |
| Staff welfare expenses | 2,248 | 1,719 |
| | **81,097** | **69,046** |

Employee benefit obligations consist of the following:

**Employee benefit obligations – Non-current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Foreign defined benefit plans | 25 | 19 |
| Other employee benefit obligations | 78 | 89 |
| | **103** | **108** |

**Employee benefit obligations – Current**

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Compensated absences | 2,802 | 2,558 |
| Other employee benefit obligations | 42 | 40 |
| | **2,844** | **2,598** |

Employee benefit plans consist of the following:

**Gratuity and pension**

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Company manages the plan through a trust. Trustees administer contributions made to the trust. Certain overseas branches of the Company also provide for retirement benefit plans in accordance with the local laws.

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

(₹ crore)

| | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Domestic plans Funded | Foreign plans Funded | Foreign plans Unfunded | Total | Domestic plans Funded | Foreign plans Funded | Foreign plans Unfunded | Total |
| **Change in benefit obligations** | | | | | | | | |
| **Benefit obligations, beginning of the year** | **4,313** | **1** | **19** | **4,333** | **3,636** | **2** | **16** | **3,654** |
| Translation exchange difference | - | - | 1 | 1 | - | - | - | - |
| Changes due to inter-company transfers | (3) | - | - | (3) | - | - | - | - |
| Service cost | 536 | - | 5 | 541 | 460 | - | 4 | 464 |
| Interest cost | 296 | - | - | 296 | 244 | - | - | 244 |
| Remeasurement of the net defined benefit liability | (190) | - | 5 | (185) | 135 | - | - | 135 |
| Benefits paid | (488) | - | (5) | (493) | (162) | (1) | (1) | (164) |
| **Benefit obligations, end of the year** | **4,464** | **1** | **25** | **4,490** | **4,313** | **1** | **19** | **4,333** |

(₹ crore)

| | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Domestic plans Funded | Foreign plans Funded | Foreign plans Unfunded | Total | Domestic plans Funded | Foreign plans Funded | Foreign plans Unfunded | Total |
| **Change in plan assets** | | | | | | | | |
| **Fair value of plan assets, beginning of the year** | **4,704** | **1** | **-** | **4,705** | **3,641** | **2** | **-** | **3,643** |
| Changes due to inter-company transfers | (3) | - | - | (3) | - | - | - | - |
| Interest income | 334 | - | - | 334 | 269 | - | - | 269 |
| Employers' contributions | 975 | - | - | 975 | 837 | - | - | 837 |
| Benefits paid | (488) | - | - | (488) | (162) | (1) | - | (163) |
| Remeasurement - return on plan assets excluding amount included in interest income | (5) | - | - | (5) | 119 | - | - | 119 |
| **Fair value of plan assets, end of the year** | **5,517** | **1** | **-** | **5,518** | **4,704** | **1** | **-** | **4,705** |

(₹ crore)

| | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Domestic plans Funded | Foreign plans Funded | Foreign plans Unfunded | Total | Domestic plans Funded | Foreign plans Funded | Foreign plans Unfunded | Total |
| **Funded status** | | | | | | | | |
| Deficit of plan assets over obligations | - | - | (25) | (25) | - | - | (19) | (19) |
| Surplus of plan assets over obligations | 1,053 | - | - | 1,053 | 391 | - | - | 391 |
| | **1,053** | **-** | **(25)** | **1,028** | **391** | **-** | **(19)** | **372** |

(₹ crore)

| | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Domestic plans Funded | Foreign plans Funded | Foreign plans Unfunded | Total | Domestic plans Funded | Foreign plans Funded | Foreign plans Unfunded | Total |
| **Category of assets** | | | | | | | | |
| Corporate bonds | 1,696 | - | - | 1,696 | 1,408 | - | - | 1,408 |
| Equity instruments | 66 | - | - | 66 | 29 | - | - | 29 |
| Government bonds and securities | 2,624 | - | - | 2,624 | 2,257 | - | - | 2,257 |
| Insurer managed funds | 981 | 1 | - | 982 | 909 | 1 | - | 910 |
| Bank balances | 5 | - | - | 5 | 2 | - | - | 2 |
| Others | 145 | - | - | 145 | 99 | - | - | 99 |
| | **5,517** | **1** | **-** | **5,518** | **4,704** | **1** | **-** | **4,705** |

Net periodic gratuity cost, included in employee cost consists of the following components:

(₹ crore)

| | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Domestic plans Funded | Foreign plans Funded | Foreign plans Unfunded | Total | Domestic plans Funded | Foreign plans Funded | Foreign plans Unfunded | Total |
| Service cost | 536 | - | 5 | 541 | 460 | - | 4 | 464 |
| Net interest on net defined benefit asset | (38) | - | - | (38) | (25) | - | - | (25) |
| **Net periodic gratuity / pension cost** | **498** | **-** | **5** | **503** | **435** | **-** | **4** | **439** |
| **Actual return on plan assets** | **329** | **-** | **-** | **329** | **388** | **-** | **-** | **388** |

Remeasurement of the net defined benefit (asset) / liability:

(₹ crore)

| | As at March 31, 2022 | | | |
|---|---|---|---|---|
| | Domestic plans Funded | Foreign plans Funded | Foreign plans Unfunded | Total |
| Actuarial (gains) and losses arising from changes in demographic assumptions | (20) | - | 2 | (18) |
| Actuarial gains arising from changes in financial assumptions | (165) | - | (1) | (166) |
| Actuarial (gains) and losses arising from changes in experience adjustments | (5) | - | 4 | (1) |
| **Remeasurement of the net defined benefit liability** | **(190)** | **-** | **5** | **(185)** |
| Remeasurement - return on plan assets excluding amount included in interest income | 5 | - | - | 5 |
| | **(185)** | **-** | **5** | **(180)** |

(₹ crore)

| | As at March 31, 2021 | | | |
|---|---|---|---|---|
| | Domestic plans Funded | Foreign plans Funded | Foreign plans Unfunded | Total |
| Actuarial losses arising from changes in demographic assumptions | 24 | - | - | 24 |
| Actuarial gains arising from changes in financial assumptions | (32) | - | - | (32) |
| Actuarial losses arising from changes in experience adjustments | 143 | - | - | 143 |
| **Remeasurement of the net defined benefit liability** | **135** | **-** | **-** | **135** |
| Remeasurement - return on plan assets excluding amount included in interest income | (119) | - | - | (119) |
| | **16** | **-** | **-** | **16** |

The assumptions used in accounting for the defined benefit plan are set out below:

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Domestic plans | Foreign plans | Domestic plans | Foreign plans |
| Discount rate | 7.00% | 1.50%-2.70% | 6.50% | 0.50%-2.00% |
| Rate of increase in compensation levels of covered employees | 6.00% | 2.24%-3.80% | 6.00% | 1.83%-3.45% |
| Rate of return on plan assets | 7.00% | 1.50%-2.70% | 6.50% | 0.50%-2.00% |
| Weighted average duration of defined benefit obligations | 8 years | 3-6.4 years | 10 years | 3-6.9 years |

Future mortality assumptions are taken based on the published statistics by the Insurance Regulatory and Development Authority of India.

The expected benefits are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at March 31, 2022. The Company does not expect to contribute to defined benefit plan obligations funds for year ending March 31, 2023 in view of adequate surplus plan assets as at March 31, 2022.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Increase of 0.50% | (159) | (190) |
| Decrease of 0.50% | 170 | 206 |

If the expected salary growth increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Increase of 0.50% | 171 | 206 |
| Decrease of 0.50% | (161) | (192) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

The defined benefit obligations shall mature after the year ended March 31, 2022 as follows:

(₹ crore)

| **Year ending March 31,** | Defined benefit obligations |
|---|---|
| 2023 | 455 |
| 2024 | 377 |
| 2025 | 396 |
| 2026 | 386 |
| 2027 | 392 |
| 2028-2032 | 1,909 |

**Provident fund**

In accordance with Indian law, all eligible employees of the Company in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in statement of profit and loss under employee benefit expenses. In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

The details of fund and plan assets are given below:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Fair value of plan assets | 22,814 | 20,003 |
| Present value of defined benefit obligations | (22,814) | (20,003) |
| **Net excess / (shortfall)** | **-** | **-** |

The plan assets have been primarily invested in government securities and corporate bonds.

The principal assumptions used in determining the present value obligations of interest guarantee under the deterministic approach are as follows:

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Discount rate | 7.00% | 6.50% |
| Average remaining tenure of investment portfolio | 8 years | 8 years |
| Guaranteed rate of return | 8.10% | 8.50% |

The Company expensed ₹1,372 crore and ₹1,078 crore for the years ended March 31, 2022 and 2021, respectively, towards provident fund.

**Superannuation**

All eligible employees on Indian payroll are entitled to benefits under Superannuation, a defined contribution plan. The Company makes monthly contributions until retirement or resignation of the employee. The Company recognises such contributions as an expense when incurred. The Company has no further obligation beyond its monthly contribution.

The Company expensed ₹271 crore and ₹254 crore for the years ended March 31, 2022 and 2021, respectively, towards Employees' Superannuation Fund.

**Foreign defined contribution plan**

The Company expensed ₹885 crore and ₹658 crore for the years ended March 31, 2022 and 2021, respectively, towards foreign defined contribution plans.

## 13) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in employee benefit expenses, cost of equipment and software licences, depreciation and amortisation expense and other expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses are aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

### (a) Cost of equipment and software licences

Cost of equipment and software licences consist of the following:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Raw materials, sub-assemblies and components consumed | 29 | 14 |
| Equipment and software licences purchased | 984 | 1,215 |
| | **1,013** | **1,229** |
| **Finished goods and work-in-progress** | | |
| Opening stock | -* | 1 |
| Less: Closing stock | 3 | -* |
| | **(3)** | **1** |
| | **1,010** | **1,230** |

*Represents value less than ₹0.50 crore.

## (b) Other expenses

Other expenses consist of the following:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Fees to external consultants | 19,338 | 14,527 |
| Facility expenses | 1,707 | 1,708 |
| Travel expenses | 1,361 | 919 |
| Communication expenses | 1,303 | 1,254 |
| Bad debts and advances written off, allowance for doubtful trade receivables and advances (net) | 107 | 185 |
| Other expenses | 8,173 | 6,784 |
| | **31,989** | **25,377** |

Other expenses include ₹3,733 crore and ₹2,944 crore for the years ended March 31, 2022 and 2021, respectively, towards sales, marketing and advertisement expenses.

## (c) Corporate Social Responsibility (CSR) expenditure

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| 1 Amount required to be spent by the company during the year | 716 | 663 |
| 2 Amount of expenditure incurred on: | | |
| (i). Construction/acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 727 | 674 |
| 3 Shortfall at the end of the year | - | - |
| 4 Total of previous years shortfall | - | - |
| 5 Reason for shortfall | NA | NA |
| 6 Nature of CSR activities | Disaster Relief, Education, Skilling, Employment, Entrepreneurship, Health, Wellness and Water, Sanitation and Hygiene, Heritage | |
| 7 Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard : Contribution to TCS Foundation in relation to CSR expenditure | 680 | 351 |

## 14) Finance costs

Finance costs consist of the following:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Interest on lease liabilities | 451 | 450 |
| Interest on tax matters | 7 | 85 |
| Other interest costs | 28 | 2 |
| | **486** | **537** |

## 15) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**Current income taxes**

The current income tax expense includes income taxes payable by the Company having its branches in India and overseas where it operates. The current tax payable by the Company in India is Indian income tax payable on worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

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

**Deferred income taxes**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

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

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The income tax expense consists of the following:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Current tax** | | |
| Current tax expense for current year | 12,912 | 10,404 |
| Current tax benefit pertaining to prior years | (981) | (104) |
| | **11,931** | **10,300** |
| **Deferred tax** | | |
| Deferred tax benefit for current year | (395) | (294) |
| Deferred tax benefit pertaining to prior years | - | (64) |
| | **(395)** | **(358)** |
| | **11,536** | **9,942** |

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Profit before taxes | 49,723 | 40,902 |
| Indian statutory income tax rate | 34.94% | 34.94% |
| Expected income tax expense | 17,375 | 14,293 |
| **Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense** | | |
| Tax holidays | (4,604) | (4,708) |
| Income exempt from tax | (1,240) | (773) |
| Undistributed earnings in branches | (232) | 26 |
| Tax on income at different rates | 1,107 | 1,103 |
| Tax pertaining to prior years | (981) | (168) |
| Others (net) | 111 | 169 |
| **Total income tax expense** | **11,536** | **9,942** |

The Company benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from

export of services for the first five years, 50% of such profit or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfillment of certain conditions. From April 1, 2011 profits from units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

(₹ crore)

| | Opening balance | Recognised in profit and loss | Recognised in / reclassified from other comprehensive income | Adjustments / utilisation | Closing balance |
|---|---|---|---|---|---|
| **Deferred tax assets / (liabilities) in relation to** | | | | | |
| Property, plant and equipment and intangible assets | 290 | 84 | - | - | 374 |
| Provision for employee benefit obligations | 639 | 94 | - | - | 733 |
| Cash flow hedges | (8) | - | 16 | - | 8 |
| Receivables, financial assets at amortised cost | 336 | 36 | - | - | 372 |
| MAT credit entitlement | 1,710 | - | - | (736) | 974 |
| Branch profit tax | (310) | 233 | - | - | (77) |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | (500) | - | 180 | - | (320) |
| Lease liabilities | 210 | (29) | - | - | 181 |
| Others | 428 | (23) | - | - | 405 |
| | **2,795** | **395** | **196** | **(736)** | **2,650** |

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

| **As at March 31, 2022** | Assets | Liabilities | Net |
|---|---|---|---|
| **Deferred tax assets / (liabilities) in relation to** | | | |
| Property, plant and equipment and Intangible assets | 426 | 52 | 374 |
| Provision for employee benefit obligations | 733 | - | 733 |
| Cash flow hedges | 8 | - | 8 |
| Receivables, financial assets at amortised cost | 372 | - | 372 |
| MAT credit entitlement | 974 | - | 974 |
| Branch profit tax | - | 77 | (77) |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | (320) | - | (320) |
| Lease liabilities | 181 | - | 181 |
| Others | 405 | - | 405 |
| | **2,779** | **129** | **2,650** |

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(₹ crore)

| | Opening balance | Recognised in profit and loss | Recognised in / reclassified from other comprehensive income | Adjustments / utilisation | Closing balance |
|---|---|---|---|---|---|
| **Deferred tax assets / (liabilities) in relation to** | | | | | |
| Property, plant and equipment and intangible assets | 162 | 128 | - | - | 290 |
| Provision for employee benefit obligations | 468 | 171 | - | - | 639 |
| Cash flow hedges | 7 | - | (15) | - | (8) |
| Receivables, financial assets at amortised cost | 327 | 9 | - | - | 336 |
| MAT credit entitlement | 1,049 | 64 | - | 597 | 1,710 |
| Branch profit tax | (284) | (26) | - | - | (310) |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | (483) | - | (17) | - | (500) |
| Lease liabilities | 308 | (98) | - | - | 210 |
| Others | 318 | 110 | - | - | 428 |
| | **1,872** | **358** | **(32)** | **597** | **2,795** |

Gross deferred tax assets and liabilities are as follows:

(₹ crore)

| **As at March 31, 2021** | Assets | Liabilities | Net |
|---|---|---|---|
| **Deferred tax assets / (liabilities) in relation to** | | | |
| Property, plant and equipment and Intangible assets | 345 | 55 | 290 |
| Provision for employee benefit obligations | 639 | - | 639 |
| Cash flow hedges | (8) | - | (8) |
| Receivables, financial assets at amortised cost | 336 | - | 336 |
| MAT credit entitlement | 1,710 | - | 1,710 |
| Branch profit tax | - | 310 | (310) |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | (500) | - | (500) |
| Lease liabilities | 210 | - | 210 |
| Others | 428 | - | 428 |
| | **3,160** | **365** | **2,795** |

Under the Income-tax Act, 1961, the Company is liable to pay Minimum Alternate Tax in the tax holiday period. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**Direct tax contingencies**

The Company has ongoing disputes with income tax authorities in India and in some of the other jurisdictions where it operates. The disputes relate to tax treatment of certain expenses claimed as deduction, computation or eligibility of tax incentives and allowances and characterisation of fees for services received. The Company has recognised contingent liability in respect of tax demands received from direct tax authorities in India and other jurisdictions of ₹1,616 crore and ₹891 crore as at March 31, 2022 and 2021, respectively. These demand orders are being contested by the Company based on the management evaluation and advise of tax consultants. In respect of tax contingencies of ₹318 crore and ₹318 crore as at March 31, 2022 and 2021, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

The Company periodically receives notices and inquiries from income tax authorities related to the Company's operations in the jurisdictions it operates in. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2018 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2018 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2018 and earlier.

## 16) Earnings per share

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

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Profit for the year (₹ crore) | 38,187 | 30,960 |
| Weighted average number of equity shares | 369,88,32,195 | 374,01,10,733 |
| Basic and diluted earnings per share (₹) | 103.24 | 82.78 |
| Face value per equity share (₹) | 1 | 1 |

## 17) Auditor's remuneration

Auditor's remuneration consists of the following:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Auditor | 9 | 9 |
| For taxation matters | 1 | 1 |
| For company law matters | - | - |
| For other services | 4 | 4 |
| For reimbursement of expenses | 1 | 1 |

## 18) Segment information

The Company publishes the standalone financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

## 19) Commitments and contingencies

**Capital commitments**

The Company has contractually committed (net of advances) ₹1,315 crore and ₹1,009 crore as at March 31, 2022 and 2021, respectively, for purchase of property, plant and equipment.

**Contingencies**

- **Direct tax matters**

  Refer note 15.

- **Indirect tax matters**

  The Company has ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company has demands amounting to ₹500 crore and ₹495 crore as at March 31, 2022 and 2021, respectively, from various indirect tax authorities which are being contested by the Company based on the management evaluation and advice of tax consultants.

- **Other claims**

  Claims aggregating ₹235 crore and ₹105 crore as at March 31, 2022 and 2021, respectively, against the Company have not been acknowledged as debts.

  In addition to above, in October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin alleging unauthorised access to and download of their confidential information and use thereof in the development of the Company's product MedMantra. In April 2016, the Company received an unfavourable jury verdict awarding damages of ₹7,115 crore (US $940 million) to Epic which was thereafter reduced by the Trial Court to ₹3,179 crore (US $420 million). Pursuant to reaffirmation of the District Court order in March 2019, the Company filed an appeal in the Appeals Court to fully set aside the Order. Epic also filed a cross appeal challenging the reduction by the District Court judge of ₹757 crore (US $100 million) award and ₹1,514 crore (US $200 million) in punitive damages. On August 20, 2020, the Appeals Court vacated the award of ₹2,119 crore (US $280 million) in punitive damages considering the award to be constitutionally excessive and remanded the case back to District Court with instructions to reassess and reduce the punitive damages award to at most ₹1,060 crore (US $140 million), affirmed the District Court's decision vacating the jury's award of ₹757 crore (US $100 million) in compensatory damages for alleged use of "other confidential information" by the Company, and affirmed the District Court's decision upholding the jury's award of ₹1,060 crore (US $140 million) in compensatory damages for use of the comparative analysis by the Company. The proceedings for assessing punitive damages have been remanded back to the District Court. Both the Company and Epic have filed their briefs at the District Court in relation to punitive damages. The matter is under consideration by the District Court. On April 8, 2021, Epic approached the Supreme Court seeking review of the order of the Appeals Court vacating the award of ₹2,119 crore (US $280 million) towards punitive damages and remanding back to District Court with an instruction to reassess the punitive damages, to no more than ₹1,060 crore (US $140 million). On March 21, 2022, Supreme Court denied Epic's petition seeking review of the order. The Company will continue to pursue all legal options available in the matter. Considering all the facts and various legal precedence, on a conservative and prudent basis, the Company provided ₹1,218 crore (US $165 million) towards this legal claim in its statement of profit

and loss for three month period ended September 30, 2020. This was presented as an "exceptional item" in the standalone statement of profit and loss.

Pursuant to US Court procedures, a Letter of Credit has been made available to Epic for ₹3,331 crore (US $440 million) as financial security in order to stay execution of the judgement pending post-appeal proceedings and conclusion.

- **Guarantees and letter of comfort**

  The Company has given letter of comfort to banks for credit facilities availed by its subsidiaries. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiary and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiary.

  The Company has provided guarantees to third parties on behalf of its subsidiaries. The Company does not expect any outflow of resources in respect of the above.

The amounts assessed as contingent liability do not include interest that could be claimed by counter parties.

## 20) Related party transactions

The Company's principal related parties consist of its holding company, Tata Sons Private Limited and its subsidiaries, its own subsidiaries, affiliates and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business. Refer note 21 of consolidated financial statement for list of subsidiaries of the Company.

Transactions with related parties are as follows:

(₹ crore)

| | Year ended March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of the Company | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| Revenue from operations | 40 | 21,358 | 770 | 2,233 | - | 24,401 |
| Dividend income | - | 3,548 | - | - | - | 3,548 |
| Rent income | - | 26 | - | - | - | 26 |
| Other income | - | 44 | - | - | - | 44 |
| Purchases of goods and services (including reimbursements) | - | 11,045 | 534 | 159 | - | 11,738 |
| Brand equity contribution | 100 | - | - | - | - | 100 |
| Facility expenses | 1 | 101 | 19 | 45 | - | 166 |
| Lease rental | - | - | 73 | 24 | - | 97 |
| Bad debts and advances written off, allowance for doubtful trade receivables and advances (net) | - | - | (3) | 1 | - | (2) |
| Contribution and advance to post employment benefit plans | - | - | - | - | 2,322 | 2,322 |
| Purchase of property, plant and equipment | - | - | 15 | 147 | - | 162 |
| Advances given | - | 2 | 3 | 6 | - | 11 |
| Advances recovered | - | 1 | 3 | 17 | - | 21 |
| Advances taken | - | 158 | - | 1 | - | 159 |
| Dividend paid | 9,609 | - | 5 | 2 | - | 9,616 |
| Guarantees given | - | 29 | - | - | - | 29 |
| Buy-back of shares | 11,164 | - | 4 | 6 | - | 11,174 |
| Cost recovery | - | 2,799 | - | - | - | 2,799 |
| Sale of property, plant and equipment | - | 1 | - | - | - | 1 |

(₹ crore)

| | Year ended March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of the Company | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| Revenue from operations | 35 | 18,245 | 591 | 1,752 | - | 20,623 |
| Dividend income | - | 2,215 | - | - | - | 2,215 |
| Rent income | - | 12 | - | - | - | 12 |
| Other income | - | 40 | - | - | - | 40 |
| Purchases of goods and services (including reimbursements) | 1 | 8,798 | 444 | 355 | - | 9,598 |
| Brand equity contribution | 100 | - | - | - | - | 100 |
| Facility expenses | - | 87 | 17 | 42 | - | 146 |
| Lease rental | 1 | - | 36 | 45 | - | 82 |
| Bad debts and advances written off, allowance for doubtful trade receivables and advances (net) | - | - | 3 | - | - | 3 |
| Contribution and advance to post employment benefit plans | - | - | - | - | 5,913 | 5,913 |
| Purchase of property, plant and equipment | - | - | 3 | 88 | - | 91 |
| Advances given | - | - | 1 | 6 | - | 7 |
| Advances recovered | - | - | 1 | 10 | - | 11 |
| Advances taken | - | 3 | 1 | 4 | - | 8 |
| Dividend paid | 7,817 | - | 4 | 3 | - | 7,824 |
| Guarantees given | - | 1 | - | - | - | 1 |
| Buy-back of shares | 9,998 | - | 4 | - | - | 10,002 |
| Sale / Redemption of investments | - | 12 | - | - | - | 12 |
| Purchase of investments | - | 224 | - | - | - | 224 |
| Cost recovery | - | 2,840 | - | - | - | 2,840 |

Balances receivable from related parties are as follows:

(₹ crore)

| | As at March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of the Company | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| Trade receivables and contract assets | 11 | 6,704 | 242 | 673 | - | 7,630 |
| Loans, other financial assets and other assets | 10 | 157 | 52 | 30 | - | 249 |
| | **21** | **6,861** | **294** | **703** | **-** | **7,879** |

(₹ crore)

| | As at March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of the Company | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| Trade receivables and contract assets | 8 | 4,392 | 255 | 519 | - | 5,174 |
| Loans, other financial assets and other assets | 9 | 65 | 21 | 62 | - | 157 |
| | **17** | **4,457** | **276** | **581** | **-** | **5,331** |

Balances payable to related parties are as follows:

(₹ crore)

| | As at March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of the Company | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities | 92 | 5,067 | 499 | 111 | - | 5,769 |
| Commitments and guarantees | - | 4,610 | 37 | 201 | - | 4,848 |

(₹ crore)

| | As at March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Tata Sons Private Limited | Subsidiaries of the Company | Subsidiaries of Tata Sons Private Limited | Associates / joint ventures of Tata Sons Private Limited and their subsidiaries | Other related parties | Total |
| Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities | 91 | 3,604 | 296 | 393 | - | 4,384 |
| Commitments and guarantees | - | 4,669 | 10 | 270 | - | 4,949 |

Material related party transactions are as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Revenue from operations** | | |
| Tata Consultancy Services Sverige AB | 2,172 | 1,939 |
| Tata Consultancy Services Canada Inc. | 2,804 | 2,034 |
| Tata Consultancy Services Deutschland GmbH | 3,038 | 2,504 |
| Tata Consultancy Services Netherlands BV | 3,006 | 2,848 |
| Jaguar Land Rover Limited | 1,500 | 1,093 |
| Tata Consultancy Services Switzerland Ltd. | 2,285 | 1,786 |
| **Purchases of goods and services (including reimbursements)** | | |
| Tata America International Corporation | 3,156 | 2,803 |
| Tata Consultancy Services De Mexico S.A.,De C.V. | 2,130 | 1,637 |
| TCS Foundation | 679 | 350 |
| **Dividend income** | | |
| Tata America International Corporation | 707 | 1,002 |
| Tata Consultancy Services Canada Inc. | 649 | 193 |
| Tata Consultancy Services Netherlands BV | 646 | 405 |
| TCS Iberoamerica SA | 682 | 374 |

Material related party balances are as follows:

(₹ crore)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Trade receivables and contract assets** | | |
| Tata America International Corporation | 1,291 | 456 |
| Tata Consultancy Services Sverige AB | 88 | 219 |
| Tata Consultancy Services France | 1,063 | 1,028 |
| Tata Consultancy Services Netherlands BV | 594 | 244 |
| Tata Consultancy Services Asia Pacific Pte Ltd. | 345 | 271 |
| Diligenta Limited | 745 | 594 |
| Jaguar Land Rover Limited | 379 | 290 |
| **Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities** | | |
| Tata America International Corporation | 2,044 | 1,519 |
| Tata Consultancy Services De Mexico S.A.,De C.V. | 433 | 168 |

Transactions with key management personnel are as follows:

(₹ crore)

| | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Short-term benefits | 53 | 43 |
| Dividend paid during the year | 1 | 1 |
| | **54** | **44** |

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

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

**21)** The sitting fees and commission paid to non-executive directors is ₹12 crore and ₹10 crore as at March 31, 2022 and 2021, respectively.

**22)** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**23) Additional Regulatory Information**

- **Ratios**

| Ratio | Numerator | Denominator | Current year | Previous year |
|---|---|---|---|---|
| Current ratio (in times) | Total current assets | Total current liabilities | 2.5 | 2.9 |
| Debt-Equity ratio (in times) | Debt consists of borrowings and lease liabilities. | Total equity | 0.1 | 0.1 |
| Debt service coverage ratio (in times) | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments | Debt service = Interest and lease payments + Principal repayments | 23.2 | 20.4 |
| Return on equity ratio (in %) | Profit for the year less Preference dividend (if any) | Average total equity | 50.3% | 41.5% |
| Trade receivables turnover ratio (in times) | Revenue from operations | Average trade receivables | 4.8 | 4.2 |
| Trade payables turnover ratio (in times) | Cost of equipment and software licences + Other expenses | Average trade payables | 3.7 | 3.2 |
| Net capital turnover ratio (in times) | Revenue from operations | Average working capital (i.e. Total current assets less Total current liabilities) | 2.9 | 2.5 |

| Ratio | Numerator | Denominator | Current year | Previous year |
|---|---|---|---|---|
| Net profit ratio (in %) | Profit for the year | Revenue from operations | 23.8% | 22.8% |
| Return on capital employed (in %) | Profit before tax and finance costs | Capital employed = Net worth + Lease liabilities + Deferred tax liabilities | 60.4% | 51.1% |
| Return on investment (in %) | Income generated from invested funds | Average invested funds in treasury investments | 6.1% | 6.5% |

## 24) Dividends

Dividends paid during the year ended March 31, 2022 include an amount of ₹15.00 per equity share towards final dividend for the year ended March 31, 2021 and an amount of ₹21.00 per equity share towards interim dividends for the year ended March 31, 2022. Dividends paid during the year ended March 31, 2021 include an amount of ₹6.00 per equity share towards final dividend for the year ended March 31, 2020 and an amount of ₹23.00 per equity share towards interim dividends (including special dividend) for the year ended March 31, 2021.

Dividends declared by the Company are based on the profit available for distribution. On April 11, 2022, the Board of Directors of the Company have proposed a final dividend of ₹22.00 per share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹8,050 crore.

As per our report of even date attached

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's registration no:101248W/W-100022

**Amit Somani**
*Partner*
Membership No: 060154

*Mumbai, April 11, 2022*

For and on behalf of the Board

**Rajesh Gopinathan**
*CEO and Managing Director*

**N Ganapathy Subramaniam**
*COO and Executive Director*

**Samir Seksaria**
*CFO*

**Pradeep Manohar Gaitonde**
*Company Secretary*

*Mumbai, April 11, 2022*

## Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

| Sr. No. | Name of the Subsidiary Company | Date of becoming subsidiary | Start date of accounting period of subsidiary | End date of accounting period of subsidiary | Reporting Currency | Exchange Rate | Share Capital | Reserves and Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before Tax | Provision for Tax | Profit after Tax | Proposed Dividend | % of Shareholding | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | ₹ crore | | | | | | | | | | | |
| 1 | APTOnline Limited | August 9, 2004 | April 1, 2021 | March 31, 2022 | INR | 1.000000 | 2 | 108 | 190 | 80 | 32 | 135 | 21 | 3 | 18 | - | 89% | India |
| 2 | MP Online Limited | September 8, 2006 | April 1, 2021 | March 31, 2022 | INR | 1.000000 | 1 | 120 | 158 | 37 | 121 | 77 | 24 | 6 | 18 | - | 89% | India |
| 3 | C-Edge Technologies Limited | January 19, 2006 | April 1, 2021 | March 31, 2022 | INR | 1.000000 | 10 | 303 | 394 | 81 | - | 322 | 98 | 25 | 73 | - | 51% | India |
| 4 | MahaOnline Limited | September 23, 2010 | April 1, 2021 | March 31, 2022 | INR | 1.000000 | 3 | 77 | 134 | 54 | 34 | 3 | 2 | 1 | 1 | - | 74% | India |
| 5 | TCS e-Serve International Limited | December 31, 2008 | April 1, 2021 | March 31, 2022 | INR | 1.000000 | 10 | 146 | 1,052 | 896 | 90 | 1,889 | 115 | 27 | 88 | - | 100% | India |
| 6 | Diligenta Limited | August 23, 2005 | January 1, 2021 | December 31, 2021 | GBP | 99.374057 | 10 | 1,392 | 2,696 | 1,294 | 293 | 3,730 | 8 | - | 8 | - | 100% | U.K. |
| 7 | Tata Consultancy Services Canada Inc. | October 1, 2009 | April 1, 2021 | March 31, 2022 | CAD | 60.450647 | 43 | 791 | 2,412 | 1,578 | - | 8,022 | 664 | 172 | 492 | - | 100% | Canada |
| 8 | Tata America International Corporation | August 9, 2004 | April 1, 2021 | March 31, 2022 | USD | 75.696300 | 2 | 1,217 | 4,061 | 2,842 | 305 | 3,845 | 983 | 253 | 730 | - | 100% | U.S.A. |
| 9 | Tata Consultancy Services Asia Pacific Pte Ltd. | August 9, 2004 | April 1, 2021 | March 31, 2022 | USD | 75.696300 | 33 | 864 | 1,560 | 663 | 819 | 2,458 | 206 | 17 | 189 | - | 100% | Singapore |
| 10 | Tata Consultancy Services (China) Co., Ltd. | November 16, 2006 | January 1, 2021 | December 31, 2021 | CNY | 11.933644 | 241 | 19 | 396 | 136 | - | 884 | 25 | 10 | 15 | - | 93.2% | China |
| 11 | Tata Consultancy Services Japan, Ltd. | July 1, 2014 | April 1, 2021 | March 31, 2022 | JPY | 0.620894 | 269 | 1,207 | 2,676 | 1,200 | - | 4,663 | 358 | 111 | 247 | - | 66% | Japan |
| 12 | Tata Consultancy Services Malaysia Sdn Bhd | August 9, 2004 | April 1, 2021 | March 31, 2022 | MYR | 17.995935 | 4 | 70 | 196 | 122 | - | 430 | 4 | 3 | 1 | - | 100% | Malaysia |
| 13 | PT Tata Consultancy Services Indonesia | October 5, 2006 | April 1, 2021 | March 31, 2022 | IDR | 0.005268 | 1 | 31 | 84 | 52 | - | 100 | 21 | 8 | 13 | - | 100% | Indonesia |
| 14 | Tata Consultancy Services (Philippines) Inc. | September 19, 2008 | April 1, 2021 | March 31, 2022 | PHP | 1.462589 | (40) | 153 | 443 | 330 | - | 775 | 61 | 8 | 53 | - | 100% | Philippines |
| 15 | Tata Consultancy Services (Thailand) Limited | May 12, 2008 | April 1, 2021 | March 31, 2022 | THB | 2.270265 | 2 | 6 | 52 | 44 | - | 110 | 3 | 1 | 2 | - | 100% | Thailand |
| 16 | Tata Consultancy Services Belgium | August 9, 2004 | April 1, 2021 | March 31, 2022 | EUR | 84.302958 | 2 | 424 | 809 | 383 | - | 2,241 | 129 | 34 | 95 | - | 100% | Belgium |
| 17 | Tata Consultancy Services Deutschland GmbH | August 9, 2004 | April 1, 2021 | March 31, 2022 | EUR | 84.302958 | 1 | 630 | 1,795 | 1,164 | - | 6,018 | 470 | 145 | 325 | - | 100% | Germany |

## Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013,read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

| Sr. No. | Name of the Subsidiary Company | Date of becoming subsidiary | Start date of accounting period of subsidiary | End date of accounting period of subsidiary | Reporting Currency | Exchange Rate | Share Capital | Reserves and Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before Tax | Provision for Tax | Profit after Tax | Proposed Dividend | % of Shareholding | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | ₹ crore | | | | | | | | | | | |
| 18 | Tata Consultancy Services Sverige AB | August 9, 2004 | April 1, 2021 | March 31, 2022 | SEK | 8.160446 | - | 887 | 1,290 | 403 | - | 3,786 | 196 | 43 | 153 | - | 100% | Sweden |
| 19 | Tata Consultancy Services Netherlands BV | August 9, 2004 | April 1, 2021 | March 31, 2022 | EUR | 84.302958 | 556 | 2,080 | 4,081 | 1,445 | 1,645 | 5,794 | 599 | 79 | 520 | - | 100% | Netherlands |
| 20 | Tata Consultancy Services Italia s.r.l. | August 9, 2004 | April 1, 2021 | March 31, 2022 | EUR | 84.302958 | 19 | 55 | 175 | 101 | - | 386 | 30 | 14 | 16 | - | 100% | Italy |
| 21 | Tata Consultancy Services Luxembourg S.A. | October 28, 2005 | April 1, 2021 | March 31, 2022 | EUR | 84.302958 | 47 | 62 | 214 | 105 | - | 716 | 74 | 22 | 52 | - | 100% | Capellen (G.D. de Luxembourg) |
| 22 | Tata Consultancy Services Switzerland Ltd. | October 31, 2006 | April 1, 2021 | March 31, 2022 | CHF | 81.771956 | 12 | 693 | 1,469 | 764 | - | 3,716 | 250 | 42 | 208 | - | 100% | Switzerland |
| 23 | Tata Consultancy Services Osterreich GmbH | March 9, 2012 | April 1, 2021 | March 31, 2022 | EUR | 84.302958 | - | 3 | 43 | 40 | - | 67 | (2) | (1) | (1) | - | 100% | Austria |
| 24 | Tata Consultancy Services Danmark ApS | March 16, 2012 | April 1, 2021 | March 31, 2022 | DKK | 11.333308 | 1 | 5 | 6 | - | - | 11 | - | - | - | - | 100% | Denmark |
| 25 | Tata Consultancy Services De Espana S.A. | August 9, 2004 | April 1, 2021 | March 31, 2022 | EUR | 84.302958 | 1 | 69 | 176 | 106 | - | 385 | 21 | 3 | 18 | - | 100% | Spain |
| 26 | Tata Consultancy Services (Portugal) Unipessoal, Limitada | July 4, 2005 | April 1, 2021 | March 31, 2022 | EUR | 84.302958 | - | 13 | 40 | 27 | - | 54 | 10 | 1 | 9 | - | 100% | Portugal |
| 27 | Tata Consultancy Services France | June 28, 2013 | April 1, 2021 | March 31, 2022 | EUR | 84.302958 | 4 | (389) | 1,387 | 1,772 | - | 2,441 | 37 | 4 | 33 | - | 100% | France |
| 28 | Tata Consultancy Services Saudi Arabia | July 2, 2015 | January 1, 2021 | December 31, 2021 | SAR | 20.178147 | 8 | 104 | 202 | 90 | - | 345 | (1) | 4 | (5) | - | 100% | Saudi Arabia |
| 29 | Tata Consultancy Services (Africa) (PTY) Ltd. | October 23, 2007 | January 1, 2021 | December 31, 2021 | ZAR | 5.231149 | 7 | 49 | 56 | - | 56 | - | 38 | - | 38 | - | 100% | South Africa |
| 30 | Tata Consultancy Services (South Africa) (PTY) Ltd. | October 31, 2007 | January 1, 2021 | December 31, 2021 | ZAR | 5.231149 | 9 | 83 | 519 | 427 | - | 1,038 | 58 | 17 | 41 | - | 100% | South Africa |
| 31 | TCS FNS Pty Limited | October 17, 2005 | April 1, 2021 | March 31, 2022 | AUD | 56.598124 | 211 | (64) | 147 | - | 2 | - | 42 | - | 42 | - | 100% | Australia |
| 32 | TCS Financial Solutions Beijing Co., Ltd. | December 29, 2006 | January 1, 2021 | December 31, 2021 | CNY | 11.933644 | 44 | (3) | 56 | 15 | - | 62 | 3 | 2 | 1 | - | 100% | China |
| 33 | TCS Financial Solutions Australia Pty Limited | October 19, 2005 | April 1, 2021 | March 31, 2022 | AUD | 56.598124 | - | 87 | 131 | 44 | 41 | 68 | 54 | 7 | 47 | - | 100% | Australia |

## Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013,read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

| Sr. No. | Name of the Subsidiary Company | Date of becoming subsidiary | Start date of accounting period of subsidiary | End date of accounting period of subsidiary | Reporting Currency | Exchange Rate | Share Capital | Reserves and Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before Tax | Provision for Tax | Profit after Tax | Proposed Dividend | % of Shareholding | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | ₹ crore | | | | | | | | | | | |
| 34 | TCS Iberoamerica SA | August 9, 2004 | April 1, 2021 | March 31, 2022 | USD | 75.696300 | 745 | 933 | 1,679 | 1 | 1,645 | - | 763 | 32 | 731 | - | 100% | Uruguay |
| 35 | TCS Solution Center S.A. | August 9, 2004 | January 1, 2021 | December 31, 2021 | UYU | 1.845126 | 66 | 291 | 498 | 141 | - | 904 | 160 | 33 | 127 | - | 100% | Uruguay |
| 36 | Tata Consultancy Services Argentina S.A. | August 9, 2004 | January 1, 2021 | December 31, 2021 | ARS | 0.682634 | 3 | (1) | 43 | 41 | - | 44 | 1 | - | 1 | - | 100% | Argentina |
| 37 | Tata Consultancy Services Do Brasil Ltda | August 9, 2004 | January 1, 2021 | December 31, 2021 | BRL | 15.864257 | 279 | 45 | 587 | 263 | - | 1,082 | 116 | 42 | 74 | - | 100% | Brazil |
| 38 | Tata Consultancy Services De Mexico S.A., De C.V. | August 9, 2004 | January 1, 2021 | December 31, 2021 | MXN | 3.808006 | 1 | 605 | 1,768 | 1,162 | - | 3,178 | 321 | 322 | (1) | - | 100% | Mexico |
| 39 | Tata Consultancy Services Chile S.A. | August 9, 2004 | January 1, 2021 | December 31, 2021 | CLP | 0.095933 | 163 | 221 | 528 | 144 | 53 | 682 | 100 | 11 | 89 | - | 100% | Chile |
| 40 | TCS Inversiones Chile Limitada | August 9, 2004 | January 1, 2021 | December 31, 2021 | CLP | 0.095933 | 147 | 168 | 324 | 9 | 308 | 35 | 87 | 1 | 86 | - | 100% | Chile |
| 41 | TATASOLUTION CENTER S.A. | December 28, 2006 | January 1, 2021 | December 31, 2021 | USD | 75.696300 | 23 | 81 | 216 | 112 | - | 469 | 74 | 25 | 49 | - | 100% | Ecuador |
| 42 | TCS Uruguay S.A. | January 1, 2010 | January 1, 2021 | December 31, 2021 | UYU | 1.845126 | - | 117 | 223 | 106 | 65 | 510 | 120 | 8 | 112 | - | 100% | Uruguay |
| 43 | MGDC S.C. | January 1, 2010 | January 1, 2021 | December 31, 2021 | MXN | 3.808006 | 65 | (22) | 131 | 88 | - | 46 | (51) | 32 | (83) | - | 100% | Mexico |
| 44 | Tata Consultancy Services Qatar L.L.C. | December 20, 2011 | January 1, 2021 | December 31, 2021 | QAR | 20.787692 | 4 | 29 | 45 | 12 | - | 52 | 1 | - | 1 | - | 100% | Qatar |
| 45 | Tata Consultancy Services UK Limited | October 31, 2018 | January 1, 2021 | December 31, 2021 | GBP | 99.374057 | - | 27 | 28 | 1 | - | - | - | - | - | - | 100% | U.K. |
| 46 | TCS Business Services GmbH | March 9, 2020 | April 1, 2021 | March 31, 2022 | EUR | 84.302958 | - | 20 | 135 | 115 | 56 | 148 | 21 | 7 | 14 | - | 100% | Germany |
| 47 | Tata Consultancy Services Ireland Limited | December 2, 2020 | January 1, 2021 | December 31, 2021 | EUR | 84.302958 | 211 | 34 | 408 | 163 | - | 817 | 25 | 5 | 20 | - | 100% | Ireland |
| 48 | TCS Technology Solutions AG | January 1, 2021 | January 1, 2021 | December 31, 2021 | EUR | 84.302958 | 27 | 203 | 1,279 | 1,049 | - | 1,717 | 221 | 9 | 212 | - | 100% | Germany |
| 49 | Saudi Desert Rose Holding B.V. | May 26, 2021 | January 1, 2021 | December 31, 2021 | EUR | 84.302958 | - | 2 | 2 | - | - | - | 34 | 2 | 32 | - | 100% | Netherlands |
| 50 | Tata Consultancy Services Bulgaria EOOD | August 31, 2021 | January 1, 2021 | December 31, 2021 | BGN | 43.139169 | - | 9 | 25 | 16 | - | 19 | 10 | 1 | 9 | - | 100% | Bulgaria |

## Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013,read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

| Sr. No. | Name of the Subsidiary Company | Date of becoming subsidiary | Start date of accounting period of subsidiary | End date of accounting period of subsidiary | Reporting Currency | Exchange Rate | Share Capital | Reserves and Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before Tax | Provision for Tax | Profit after Tax | Proposed Dividend | % of Shareholding | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | ₹ crore | | | | | | | | | | | |
| 51 | Tata Consultancy Services Guatemala, S.A. | September 1, 2021 | January 1, 2021 | December 31, 2021 | GTQ | 9.849876 | 8 | 4 | 25 | 13 | - | 22 | 5 | 1 | 4 | - | 100% | Guatemala |
| 52 | TCS Foundation | March 25, 2015 | April 1, 2021 | March 31, 2022 | INR | 1.000000 | 1 | 1,466 | 1,476 | 9 | 85 | - | 379 | - | 379 | - | 100% | India |

**Notes:**

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2022.
2. Tata Consultancy Services Qatar S.S.C. renamed as Tata Consultancy Services Qatar L.L.C..
3. W12 Studios Limited renamed as Tata Consultancy Services UK Limited.
4. Equity stake increased to 100% in Tata Consultancy Services Saudi Arabia on acquisition of Saudi Desert Rose Holding B.V. w.e.f. May 26, 2021.
5. Tata Consultancy Services Ireland Limited incorporated a wholly owned subsidiary, Tata Consultancy Services Bulgaria EOOD in Bulgaria on August 31, 2021.
6. TCS Iberoamerica SA incorporated a subsidiary, Tata Consultancy Services Guatemala, S.A. in Guatemala on September 1, 2021.
7. Postbank Systems AG renamed as TCS Technology Solutions AG.

For and on behalf of the Board

**Rajesh Gopinathan**
*CEO and Managing Director*

**N Ganapathy Subramaniam**
*COO and Executive Director*

**Samir Seksaria**
*CFO*

**Pradeep Manohar Gaitonde**
*Company Secretary*

*Mumbai, April 11, 2022*

# Glossary



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| **5G** | Fifth generation wireless technology for digital cellular networks. 5G is expected to be much faster and enable much higher volumes of data sharing than earlier generations of cellular networks. Its massive capacity and ultra-low latency are expected to usher in an era of hyper-connectivity, enabling newer use cases such as autonomous cars, and accelerating the adoption of IoT. |
| **ADM** | See Application Development and Maintenance |
| **Agile** | A collaborative approach for IT and business teams to develop software incrementally and faster. TCS has pioneered the Location Independent Agile™ model that allows for deployment at scale, and helps globally distributed organization execute large transformational programs quickly, while ensuring stability and quality. |
| **AgilityDebt™** | AgilityDebt™ is an index developed by TCS, which uniquely indicates the burden carried by an organization that restricts its Agility. The index is arrived at based on a holistic Agile maturity assessment framework that measures the gap against required Agile talent, roles, team composition, delivery practices, Agile culture, Agile technology and DevOps enablers. TCS uses AgilityDebt™ to assess where the customer's teams are in the Agile journey, find the bottlenecks, and accelerate their Agile transformations. |
| **Agile Workspaces** | These are key enablers of TCS' Location Independent Agile model, and represent the next generation work environment that facilitate greater collaboration among teams. It is characterized by partition-less open offices, informal seating, interactive surfaces for information capture, and modern collaboration devices for increased productivity. |
| **AI** | See Artificial Intelligence |
| **Algo Retail™** | TCS' proprietary approach and suite of intellectual property that enables retailers to seamlessly integrate and orchestrate data flows across the retail value chain, harnessing the power of analytics, AI and machine learning in the areas of personalization, pricing optimization, marketing, online search and commerce to unlock exponential business value. |
| **Amortization** | An accounting concept similar to depreciation, but used to measure the consumption of intangible assets. |
| **Analytics** | In the enterprise context, this is the discovery, interpretation, and communication of meaningful patterns in business data to predict and improve business performance. |
| **Annuity Contracts** | A long-term contract which can guarantee regular payments. |
| **APAC** | Acronym for Asia Pacific |
| **API** | See Application Programming Interface |

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| **APIfication** | The process of exposing a discrete business function or data within an enterprise's systems through APIs. |
| **Application Development and Maintenance** | Design, development, and deployment of custom software; ongoing support, upkeep, and enhancement of such software over its lifetime. |
| **Application Programming Interface** | A set of easily accessible protocols for communication among various software components. |
| **AR** | See Augmented Reality |
| **Artificial Intelligence** | Technology that emulates human performance by learning, coming to its own conclusions, understanding complex content, engaging in natural dialogs with people, augmenting human effort or replacing people on execution of non-routine tasks. Also known as Cognitive Computing. |
| **ASEAN** | Acronym for Association of Southeast Asian Nations |
| **Assets Under Custody** | A measure of the total assets for which a financial institution, typically a custodian bank, provides custodian services. |
| **AUC** | See Assets Under Custody |
| **Attrition** | Measures what portion of the workforce left the organization (voluntarily and involuntarily) over the last 12 months (LTM).<br>Attrition (LTM) = Total number of departures in the LTM / closing headcount |
| **Augmented Reality** | Technology that superimposes a computer-generated image on a user's view of the real world to enrich the interaction. |
| **Automation** | The execution of work by machines in accordance with rules that have either been explicitly coded by a human or 'learned' by the machine through pattern recognition of data. Popular types include Robotic Process Automation and Cognitive Automation. |
| **Basis Point** | One hundredth of a percentage point, that is, 0.01 percent. |
| **BFSI** | Acronym for Banking, Financial Services and Insurance |

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| **Big Data** | A high volume, high velocity, and/or high variety information asset that require new forms of processing to enable enhanced decision making, insight discovery, and process optimization. |
| **Blockchain** | A distributed database that maintains a continuously growing list of records, called blocks, secured from tampering and revision. |
| **Bp** | See Basis Point |
| **BPaaS** | See Business Process as a Service |
| **BPS** | See Business Process Services |
| **Business 4.0** | TCS' thought leadership framework that helps enterprises leverage technology to further their growth and transformation agenda. Successful Business 4.0 enterprises use technology to deliver mass personalization, leverage ecosystems, embrace risk and create exponential value. Such enterprises are agile, intelligent, automated and on the cloud. |
| **Business Process as a Service** | Refers to the delivery of BPS over a cloud computing model. Whereas traditional BPS relies on labor arbitrage to reduce costs, BPaaS aggregates demand using the cloud, servicing multiple customers with a single instance, multi-tenant platform and shared services, thereby delivering significant operating efficiencies. The pricing model is usually outcome based. |
| **Business Process Services** | Designing, enabling, and executing business operations including data management, analytics, interactions and experience management. |
| **Buyback** | A corporate action in which a company returns excess cash to shareholders by buying back its shares from them and usually extinguishing those shares thereafter. The company's equity share capital and the number of shares outstanding in the market correspondingly reduces. |
| **CAGR** | See Compounded Annual Growth Rate |
| **Capital Expenditure (CapEx)** | Funds used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, an industrial plant, technology, or equipment. |

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| **Carbon Neutral** | This describes the state of an entity whose greenhouse gas emissions to the atmosphere are balanced by activities which absorb an equivalent amount from the atmosphere; often accomplished by the use of carbon offsets. |
| **Carbon Offset** | Market-based instrument used to compensate for the emission of greenhouse gases into the atmosphere because of the organization's activity by reducing them somewhere else. Certified Emission Reductions (CERs) and Verified Emission Reductions (VERs) are some of the popular carbon offsets. |
| **Cash and Cash Equivalents** | Cash comprises cash on hand and demand / time / fixed deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. |
| **Cash Flow** | Inflows and outflows of cash and cash equivalents. |
| **Cash Flow from Operating Activities** | Primarily derived from the principal revenue producing activities. Therefore, they generally result from the transactions and other events that enter into the determination of profit or loss. |
| **CBO** | See Cognitive Business Operations |
| **CC** | See Constant Currency |
| **Chatbots** | Computer programs designed to simulate conversation with human users, especially over the internet. They are typically used in dialog systems for various practical purposes like customer service or information acquisition. |
| **Cloud** | See Cloud Computing |
| **Cloud Computing** | The delivery of easily provisionable computing resources – servers, storage, databases, networking, software, analytics and more – over the internet, consumed on a pay-as-you-go basis. |
| **CMT** | Acronym for Communication, Media and Technology |

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| **Cognitive Automation** | The use of AI and machine learning to automate relatively more complex tasks that require reasoning capability and contextual awareness. TCS' ignio™ a leading cognitive automation software product in the market today. |
| **Cognitive Business Operations (CBO)** | An integrated offering where TCS takes responsibility for the outcome of an entire slice of the customers' operations including the business processes and the underlying IT infrastructure, and uses cognitive automation to transform that operational stack. |
| **Cognitive Computing** | See Artificial Intelligence |
| **COIN** | See Co-Innovation Network |
| **Co-Innovation Network** | This is an extended, global innovation ecosystem curated by TCS, to harness the innovation efforts of start-ups and academia, and incorporate them into transformational solutions built by TCS for its customers. |
| **Compounded Annual Growth Rate (CAGR)** | The annual growth rate between any two points in time, assuming that it has been compounding during that period. |
| **Connected Clinical Trials (CCT) Platform** | Part of the TCS ADD suite, CCT is an innovative software-as-a-service platform that enables life sciences companies to significantly transform patient engagement in clinical trials and improve adherence to protocols, as well as the efficiency and accountability of clinical trials. |
| **Constant Currency** | The basis for restating the current period's revenue growth after eliminating the impact of movements in exchange rates during the period. |
| **Contextual Knowledge** | This is tacit knowledge pertaining to, and specific to, the granular nuances of a customer's business and IT landscape, acquired on the job over a period of time. TCS teams use their contextual knowledge to design technology solutions that are uniquely tailored for that customer, and therefore, a potential source of competitive differentiation. |

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| **CO2e** | Acronym for "Carbon dioxide equivalent". It is a standard unit for accounting greenhouse gas (GHG) emissions from carbon dioxide or another greenhouse gases, such as SOX, NOX, methane, etc. |
| **CPG** | Acronym for Consumer Packaged Goods |
| **Core Banking System** | A back-end system that processes daily banking transactions and posts updates to accounts and other financial records; typically includes deposit, loan and credit processing capabilities, with interfaces to general ledger systems and reporting tools. |
| **Core Transformation** | Modernization initiatives that target the one or more elements of the organization's operations stack consisting of business processes, software systems and underlying infrastructure, usually to enable greater agility, scalability, resilience and a superior customer experience. These are typically large in scale and scope, and entail the integrated delivery of multiple capabilities. |
| **Cyber Security** | Technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorized access. |
| **Days' Sales Outstanding (DSO)** | A popular way of depicting the Trade Receivables - billed relative to the company's Revenue.<br>DSO = Trade Receivables - billed * 365 / LTM Revenue |
| **Depreciation** | A method of allocating the cost of a tangible long-term asset over its useful life. It is a non-cash accounting entry found in the statement of profit and loss. |
| **DevOps** | Represents a new way of working to rapidly deploy new releases of a software in production using high levels of automation and tooling. TCS recommends adoption of DevOps, along with Agile for speed to market. |
| **Digital** | Represents new age technologies such as Social Media, Mobility, Analytics, Big Data, Cloud, Artificial Intelligence and Internet of Things. Increasingly, with these technologies becoming mainstream, this word is becoming redundant. |

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| **Digital Twin** | A digital replica of a physical entity. For instance, a digital twin of a factory is a virtual model of the factory built using its data, process, people information. Impact of any change in a process in the real factory can be studied by simulating the change in the digital twin. |
| **Discretionary Spend** | Also known as Change the Business (CTB) spend, it is that portion of the IT budget which is used to fund projects that are not, strictly speaking, essential for day to day operations, but are more transformational in nature. In uncertain economic times, when businesses are forced to cut spends in response to decline in income, discretionary spend is often the first to be scrutinized. However, what is considered discretionary is subjective and may differ considerably amongst businesses even within the same sector. |
| **Distributed Ledger Technology** | See Blockchain |
| **Dividend** | One form of distribution of profits earned by the Company and is usually declared as an amount per equity share held by the Shareholders. TCS has a policy of declaring quarterly interim dividends and the final dividend is approved by the shareholders in the Annual General Meeting. |
| **DLT** | See Distributed Ledger Technology |
| **EACs** | Energy Attribute Certificates (EACs) are market-based instruments that can be used by the bearer to claim renewable energy consumption. Each EAC is equivalent to 1 MWh of electricity. |
| **Earnings Per Share** | The amount of that period's Net Income attributable to a single share after deducting any preference dividend and related taxes.<br>EPS = [Net profit attributable to Shareholders of the Company – Preference dividend, if any] / Weighted average number of equity shares outstanding during the period |

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| **Edge Computing** | Computing and storage that is located on servers on the edge of the network, in close proximity to the users, but not through an on-premise data center; usually reserved for low latency use cases. |
| **Effective Tax Rate** | The proportion of the Profit Before Tax that is provided towards income taxes.<br>ETR = Tax expense / Profit Before Tax |
| **EIA** | Acronym for Environmental Impact Assessment. The study needs to be conducted as per Ministry of Environment and Forest (MoEF) requirements for new construction/ expansion projects. |
| **Engineering and Industrial Services** | Consists of next generation product engineering, manufacturing operations transformation, services transformation, embedded software and Internet of Things. |
| **Enterprise Agile** | The adoption of Agile methods across all the business functions of the enterprise, designed to empower employees, foster collaboration and drive a culture of continuous innovation at scale. |
| **EPS** | See Earnings Per Share |
| **ETR** | See Effective Tax rate |
| **Fair Value** | The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. |
| **Fintech** | Businesses that use technology to make financial services more efficient. Some fintech developments have improved traditional services, for example mobile banking apps, while others have revolutionized services such as pay per mile car insurance, or created new products, such as Bitcoin. |
| **Fixed Price Contracts** | A form of services contracts where the vendor takes a turnkey responsibility for delivering a solution for a certain price and within a mutually agreed timeframe. The customer is billed on completion of key project milestones and related deliverables. This arrangement gives the vendor considerable flexibility in the staffing and execution of the project. On the other hand, it also means bearing the project risk. |

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| **Forward Contract** | A hedging instrument wherein two parties agree to buy or sell a particular asset (such as stock or currency) at a pre-determined rate (or Forward rate) on a specific future date.<br>For e.g. TCS enters into a forward contract to sell USD 1 million after 3 months @ ₹72. Irrespective of the prevailing USD-INR spot rate, TCS will be obliged to sell USD 1 million @ ₹72 at the end of 3 months. |
| **Framework** | A kind of intellectual property, consisting of software which provides generic functionality for a certain business use case, and which is customized for a specific customer's needs with additional code. Use of such pre-built code reduces time to market and results in more stable, reliable solutions. |
| **Free Cash Flow** | Represents the cash a company generates through its operations, less the capital expenditure.<br>Free cash flow = Cash flow from operating activities – Capital expenditure |
| **FTE** | Acronym for Full Time Equivalent |
| **Furlough** | A temporary cessation of work without pay for the employees, usually implemented by organizations facing under difficult economic conditions, and in lieu of laying off employees. |
| **Gamification** | The process of adding games or game-like elements to any activity in order to enrich experiences and encourage user participation. |
| **GDPR** | Acronym for General Data Protection Regulation, a European Union regulation for data protection and privacy. |
| **GHGs** | Acronym for Greenhouse Gases; refers to gases that trap heat in the atmosphere leading to global warming and climate change. |
| **Growth and Transformation** | Initiatives launched to improve the enterprise's revenues, leveraging technology to adopt new business models, drive new revenue streams, enhance customer experience or target new customer segments. This is in contrast to traditional outsourcing engagements where the focus is on improving efficiency and saving costs. |

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| **G&T** | See Growth and Transformation |
| **HVAC** | Acronym for Heating Ventilation and Air Conditioning System |
| **Hybrid Cloud** | An enterprise IT infrastructure model that combines private clouds, public clouds and on premise data centers, to meet the compute and storage needs of the business. |
| **Innovation Days** | Focused workshops with a TCS customer where researchers and business leaders from both organizations participate to explore emerging technologies for specific customer problems. |
| **Innovation Forum** | TCS' thought leadership event that is held in North America, UK, Latin America and Japan. It brings together researchers from academia, innovators from the start-up ecosystem, technology watchers, futurists and customers to brainstorm around emerging technologies. |
| **Inorganic Growth** | Growth in revenue due to mergers, acquisitions or takeovers, rather than due to an increase in the company's own business activity. |
| **ISO** | Acronym for International Organization for Standardization |
| **ISV** | Acronym for Independent Software Vendor; a key market segment serviced by TCS' Hi-Tech business vertical. Leading software product vendors across the world engage TCS to help them build new features and functionality, maintain older versions of their products, or to modernize their existing products with new cloud-native architecture. |
| **Internet of Things** | Also known as IoT. Refers to a network of interconnected machines or devices embedded with sensors, software, network connectivity, and necessary electronics to generate and share run-time data that can be studied and used to monitor or control remotely, predict failure, and optimize the design of those machines / devices. |
| **Invested Funds** | Funds that are highly liquid in nature and can be readily converted into cash.<br><br>Invested funds = Cash and Cash Equivalents + Investments + Deposits with banks + Inter-corporate deposits |

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| **Intellectual Property** | An asset that is the result of a creative design or idea, such as patents, copyrights, reusable code, software products and platforms, and gives the owner exclusive rights over its usage, such that no one can copy or reuse the creation without the owner's permission. |
| **Interactive Technology** | Allows for a two-way flow of information through an interface between the user and the technology; the user usually communicates a request for data or action to the technology with the technology returning the requested data or result of the action back to the user. |
| **Involuntary Attrition** | A reduction in the workforce due to the employer's decision to terminate employment, instead of the employees' decision to leave. |
| **IoT** | See Internet of Things |
| **IP** | See Intellectual Property |
| **kL** | Acronym for the unit kilo-liters used to measure volume. It is a unit used to measure and report water usage. |
| **KMP** | See Key Managerial Personnel |
| **Key Managerial Personnel** | At TCS, this refers to the Chief Executive Officer, Managing Director, Chief Operating Officer, Chief Financial Officer, and the Company Secretary. Please refer to the Company's policy on KMP: http://www.tcs.com/ir-corporate-governance |
| **kWh** | Acronym for kilowatt hours used as a unit of measurement of electricity |
| **LatAm** | Acronym for Latin America |
| **Location Independent Agile** | A method to orchestrate globally distributed stakeholders and talent into Agile teams for improved speed to market in large transformational programs. It comprises processes, structure, and the technology that allows enterprises to overcome location constraints and embrace Agile methods on a global scale. |
| **Machine First™ Delivery Model** | A model that integrates analytics, AI and automation deep within the enterprise to redefine how humans and machines work together and to effectively deliver superior outcomes. |

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| **Machine Learning** | A type of artificial intelligence that provides computers with the ability to learn behaviors without being explicitly programmed. |
| **Managed Services** | This is the practice of outsourcing to one service provider, also known as the Managed Services Provider (MSP), the end-to-end responsibility for providing, or orchestrating the provision through third party providers of, services around a range of processes and functions, in order to improve efficiency, service quality, agility and scalability. |
| **Managed Services Provider** | Service providers with the sole, end-to-end responsibility of providing Managed Services. |
| **Market Capitalization** | The total market value of a company's total outstanding equity shares at a point in time.<br>Market Cap = Last Trading Price * Total number of outstanding shares |
| **MEA** | Acronym for Middle East and Africa |
| **Metaverse** | Virtual-reality space in which users can interact with a computer-generated environment and other users. Metaverse is a merging of virtual, augmented, and physical reality, and blurs the line between online and offline interactions. |
| **MFDM™** | Acronym for Machine First Delivery Model |
| **Minimum Viable Product** | The most basic version of a new product, with the bare minimum functionality, which can be released to the users at the earliest, to be augmented with incremental features and functionality over subsequent iterative cycles. MVPs can be used by teams to learn about user behavior and validate the product value with minimum investment. |
| **MJ** | Acronym for Mega Joule used as a unit of measurement of energy (electricity as well as fuel use) |
| **Mobility** | Information, convenience, and social media all combined together, and made available across a variety of screen sizes and hand-held devices. |
| **MSP** | See Managed Services Provider |

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| **MVP** | See Minimum Viable Product |
| **MWh** | Acronym for megawatt hours used as a unit of measurement of electricity. 1 MWh=1000kWh |
| **Net Zero** | Net zero refers to a state in which the greenhouse gases emitted into the atmosphere due the company's activity are minimized through a series of initiatives and the residual emission is compensated by removal of equivalent amount of GHG emissions elsewhere through carbon offsets. |
| **Non-Controlling Interest** | The share of the net worth attributable to non-controlling shareholders of the subsidiaries. |
| **Non-discretionary Spend** | Also known as Run the Business (RTB) spend, is that portion of the IT budget that covers the basic IT activities required to keep a business running. Even in tough economic times, non-discretionary spend remains relatively unaffected. |
| **Options Contract** | A hedging instrument that offers the buyer the right to buy or sell the underlying asset (such as stocks or currency) on a future date, at a specified price, for small upfront fee called options premium.<br>Eg: TCS purchases an options contract to sell USD 1mn @ ₹ 77/$ after 3 months, paying an option premium of ₹1 million. With this, TCS will have the right to sell USD 1mn at an exchange rate of ₹77, even if the prevailing market rate at the end of three months is, say ₹75. On the other hand, if the market rate is higher, say ₹79, then TCS can choose to let the options contract lapse and instead sell at the market rate. |
| **Order Book** | See Total Contract Value |
| **Organic Growth** | The revenue growth a company can achieve by increasing its existing business activity. This does not include growth attributable to takeovers, acquisitions or mergers. |
| **PaaS** | See Platform as a Service |
| **PAS 2060** | Internationally recognized standard by the British Standards Institution to verify and substantiate an organization' claim of carbon neutrality. |

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| **Personalization** | Segmentation and responding to individual transactions, customized for a single customer in a single instance. |
| **Platforms** | A group of technologies that are used as a base upon which other applications, processes or technologies are developed. Useful for optimizing costs and efforts, and eliminating iterative tasks to drive strategic business initiatives. |
| **Platform as a Service (PaaS)** | A category of cloud computing that provides a platform and environment to allow developers to build applications and services over the internet. PaaS services are hosted in the cloud and accessed by users simply via their web browser. |
| **Power Usage Effectiveness** | It is the ratio of total amount of electricity used by a data center facility to the electricity used by the computing equipment in the data center. |
| **Pricing** | The price charged to the customer for a billable effort, turnkey project or a certain process outcome, depending on the nature of the contract. Some use this term interchangeably (and somewhat inaccurately) with the average revenue realized by the company per utilized effort on an aggregate basis. See Realization. |
| **Private Cloud** | Refers to a model of cloud computing where IT infrastructure, in terms of compute and storage resources, are provisioned for the dedicated use of a single organization. |
| **Product** | In the technology context, refers to a packaged software program that is made available to multiple customers either on a license basis, or on a subscription basis, to enable the execution of certain common tasks or processes or business functions in a standardized way. This is the opposite of bespoke or custom software which is built to specifications to meet a customer's unique needs. |
| **Public Cloud** | A computing service model used for the provisioning of storage and computational services to the general public over the internet. Public cloud facilitates access to IT resources on a 'pay as you go' billing model. |
| **PUE** | See Power Usage Effectiveness. |

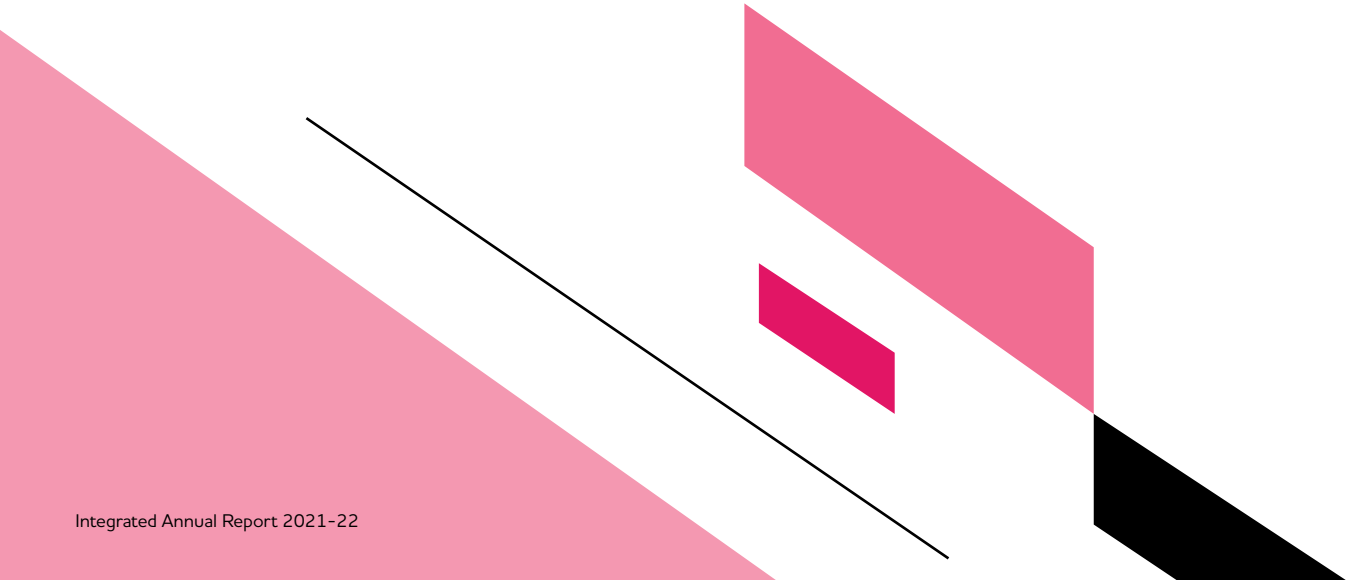
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| **R&I** | Acronym for Research & Innovation |
| **Realization** | The revenue received by the company per utilized effort. Pricing varies by service and by market. Consequently, there can be changes in realization compared to a prior period, due to changes in the underlying business or geographic mix during the period. This does not necessarily mean that like-to-like pricing has changed. Also, realization doesn't take into account the costs and therefore, higher realization is not necessarily more profitable. |
| **RECs/ GOs** | Renewable Energy Certificates / Guarantees of Origin are EACs used in different markets. |
| **Related Party Transactions** | Any transaction between a company and its related party involving transfer of services, resources or any obligation, regardless of whether a price is charged.<br>Please refer to the Company's policy on Related Party Transactions: http://www.tcs.com/ir-corporate-governance. |
| **Revenue** | The income earned by the Company from operations by providing IT and consulting services, software licenses, and hardware equipment to customers. |
| **RFP** | Acronym for Request for Proposal, meaning a document that solicits proposal, often made through a bidding process, by an entity interested in procurement of IT services, to potential service providers to submit business proposals. An RFP is floated early in the procurement cycle and requested information may include basic corporate information and history, financial information, technical capability and estimated completion period, and customer references. |
| **Robotic Process Automation** | The use of software tools to automate high-volume, repeatable tasks that previously required humans to perform. RPA is best suited for relatively simple and stable processes. Dynamic changes in the environment require ongoing upkeep of the robots, diluting the economic benefit of the automation. Increasingly, customers are preferring cognitive automation over RPA. |
| **RPA** | See Robotic Process Automation |

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| **SBWS™** | See Secure Borderless Workspaces |
| **Scope 1, Scope 2, Scope 3 emissions** | Green house gas emission accounting categories as per the Greenhouse Gas Protocol. |
| **Secure Borderless Workspaces™** | TCS' innovative operating model rolled out in response to the COVID-19 disruption. It is a fully location agnostic extension of the Location Independent Agile model, enabling employees to work remotely, while retaining the same high rigor in project management, governance and security. The fully distributed nature of this model is better suited to ensure business continuity. It leverages TCS' prior investments and incorporates the learnings and best practices around network management, standard service delivery environment, digitized governance processes, heavy use of collaborative and cloud based technologies and an internal SOC benchmarked to the best in the industry. |
| **Servitization** | Subscription based model that generates recurring subscription fees from a product versus the traditional one-time sale. This applies to software products (Software-as-a-Service) as well as physical products (Product-as-a-Service). In the case of the latter, a key enabler is IoT which allows the seller to monitor the asset remotely. |
| **SEZ** | See Special Economic Zone |
| **Shareholder Payout Ratio** | The proportion of earnings paid to shareholders as a percentage of the Company's earnings, i.e. Net Income attributable to Shareholders of the Company. Payout can be in the form of dividend (including dividend distribution tax) and share buyback. |
| **Simplification** | The rationalization of IT architectures through consolidation of systems and elimination of redundant systems and layers. The primary purpose is to shrink the IT footprint and make operations leaner and more efficient. |
| **Sole Sourced Contract** | Non-competitive agreements that allow a single vendor to fulfill the needs of the contractual requirements. These types of contracts can be won when the competitor set narrows down significantly and comes down to a single vendor discussion, given the nature of the client's solution requirements. |

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| **Special Economic Zone** | In India, these are designated areas in which business and trade laws are different from the rest of the country, with various benefits and tax breaks to promote exports, attract investments, and create local jobs. |
| **STEM** | Acronym for education in the fields of Science, Technology, Engineering and Math. |
| **Sustainathons** | Platform/environment for multiple entities to come together in a specified timeframe to seek solutions to sustainability challenges. Expectations in a sustainathon includes clear framing of real world issues (problem statements) to drive realistic, technology based solutions. Immediate outcomes may include detailed solution ideas, wireframes, code pieces or apps. |
| **T&M** | See Time and Materials Contract |
| **TCS Pace™** | A brand promise that represents the way TCS channels its domain knowledge and organizational units – business and technology services, industry solutions units, and the research and innovation organization – into internal and external co-innovation programs. |
| **TCS Pace Port™** | Physical spaces where TCS Pace can be experienced. These spaces are close to academic and start-up hubs, and enclose innovation showcases, Agile workspaces and think spaces. They encourage brainstorming, design thinking and collaborative innovation with internal and external partners. |
| **TCV** | See Total Contract Value |
| **Time and Materials Contract** | A form of services contract where the customer is billed for the effort (in hours, days, weeks, etc.) logged by the project team members. Project risk is borne by the customer. This contrasts with Fixed Price Contracts. |
| **Total Contract Value** | An aggregation of the value of all the contracts signed during a period and a useful indicator of demand, and near term business visibility. |
| **Turnkey Contracts** | See Fixed Price Contracts |

| | |
|---|---|
| **tCO2e** | Acronym for tonnes of carbon dioxide equivalent which is used as the unit for reporting greenhouse gas emissions. |
| **Unearned and Deferred Revenue** | For invoices raised in line with agreed milestones for services yet to be delivered. In other words, it is the amount that has been invoiced although the underlying effort is yet to be expended. |
| **VR** | See Virtual Reality |
| **Virtual Reality** | Artificial, computer-generated simulation or recreation of a real-life environment or situation. It engages users by offering simulated reality experiences firsthand, primarily by stimulating their vision and hearing. |
| **Virtualization** | The abstraction of IT resources – like a server, client, storage or network – that masks the physical nature and boundaries of those resources from the users of those resources. |
| **Voluntary Attrition** | Refers to reduction in workforce resulting from employees willingly leaving the organization to pursue other opportunities, spend time with family, or for some other personal reason. |
| **XR** | Extended reality, an umbrella term that covers augmented reality, virtual reality and mixed reality. |
| **Y-o-Y** | Year-on-Year |

Disclaimer: This glossary is intended to help understand commonly used terms and phrases in this report. The explanations are not intended to be technical definitions. If explanations provided here are found to be different from what is described in the Company's periodic financial statements (not limited to Notes to Accounts), then the definition provided in the certified financial statements will prevail.



# GRI Annexures



**Identification of Material Topics**[1]

TCS conducts annual materiality assessments to update the list of material topics. The key elements of that assessment include:

**Key Elements of Annual Materiality Assessments:**

| | |
|---|---|
| **Engagement with stakeholders** | Stakeholder interactions result in the identification of a broad funnel of issues important to each of the constituencies. The Company's Sustainability Council uses discussions with internal and external stakeholders, as well as its own judgment, to prioritize and arrive at a list of material topics with significant economic, environmental, or social impacts on TCS' business, reputation, and operations. |
| **Sustainability context and value chain** | The company looks at the role of TCS in wider sustainability issues, the impact the company has through its customer engagements and its operations, and the role that the company experts play in professional associations, industry forums and other thought leadership activities to address important issues raised by stakeholders. |

[1] GRI 3-1

**Key Material Topics[2], Key Concerns, Boundary of impact and TCS approach[3] to them are listed below:**

| Material Topics | Why this is material | Key Concerns | TCS Approach (Page Reference Number) | Boundary of impact | GRI Indicators |
|---|---|---|---|---|---|
| Corporate Governance | Strong corporate governance that considers - stakeholder concerns, engenders trust, oversees business strategies, and ensures fiscal accountability, ethical corporate behavior, and fairness to all stakeholders is core to achieving the organization's longer-term mission. | • Governance Structure and composition | • Pg 137 | Internal | 2-9, 2-10, 2-11, 2-12, 2-14, 2-15, 2-19 |
| | | • Independence of the Board and Minority Interest | • Pg 138 | | |
| | | • Avoidance of conflict of interest | • Pg 139 | | |
| | | • Board oversight | • Pg 140 | | |
| | | • Disclosure and Transparency | • Disclosures – Pg 154 to 156<br>• Internal financial control systems and their adequacy - Pg 132 | | |
| | | • Value, ethics and compliance | • Pg 139 | | |
| | | • Enterprise Risk Management | • Pg 120 | | |
| | | • Succession Planning | • Pg 141 | | |
| | | • Remuneration Policy | • Pg 149 | | |

[2] GRI 3-2
[3] GRI 3-3

| Material Topics | Why this is material | Key Concerns | TCS Approach (Page Reference Number) | Boundary of impact | GRI Indicators |
|---|---|---|---|---|---|
| Business Sustainability | A financially strong, viable business that is able to adapt to changing technology landscapes to remain relevant to customers and profitably grow its revenues year-on-year is essential to meet longer term expectations of stakeholders. | • Economic performance | • Financial Capital – Pg 20 | Internal | 2-22, 201-1 |
| | | • Demand sustainability | • Strategy for sustainable growth – Pg 9, 108<br>• New Organization Structure – Pg 109<br>• Business outlook – Pg 120 | | |
| | | • Investments in capability development | • Enabling investments – Pg 108<br>• Intellectual Capital - Pg 24 to 26 | | |
| Talent Management | The company's ability to attract, develop, motivate, and retain talent is critical to business success. | • Talent acquisition | • Pg 22 | Internal | 401-1, 401-2, 401-3, 403-1, 403-2, 403-3, 403-6, 403-9, 403-10, 404-1, 405-1, 405-2, 406-1 |
| | | • Talent development | • Pg 113 | | |
| | | • Diversity, Equity and Inclusion | • Pg 113 | | |
| | | • Talent retention | • Pg 115 | | |
| | | • Employee Health and well being | • Pg 112 | | |
| | | • Competitive Compensation | • Pg 114 | | |
| | | • Occupational Health and safety | • Pg 205 | | |

| Material Topics | Why this is material | Key Concerns | TCS Approach (Page Reference Number) | Boundary of impact | GRI Indicators |
|---|---|---|---|---|---|
| Social Responsibility | The business must be rooted in community and be aligned with the community's larger interests. Any adversarial relationship can hurt the company's ability to create longer term value. | • Local communities | • Pg 174, 222, 228, 229 | External | 204-1, 207-1 308-1, 308-2, 413-1 |
| | | • Education and skill development | • Pg 175 to 179 | | |
| | | • Job creation | • Employment and employability – Pg 175 to 179 | | |
| | | • Taxes payable in different regions | • Tax strategy – Pg 140<br>• Consolidated Income taxes – Pg 298, 299<br>• Country-wise subsidiary income taxes – Pg 398 to 401 | | |
| | | • Environmental stewardship | • Natural Capital – Pg 31, 200 | | |
| Environmental Footprint | Business sustainability is linked to the planet's sustainability. Moreover, good environmental practices result in greater operational efficiency, adding to financial sustainability. | • Energy consumption and GHG Emissions | • Pg 31, 216, 218, 219, 225 | Internal | 302-1, 302-3, 303-1, 303-2, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-2, 306-3, 306-4, 306-5 |
| | | • Water management | • Water conservation – Pg 217, 218, 224 | | |
| | | • Waste management | • Waste reduction and reuse – Pg 200, 221 | | |

## GRI Content Index[4]

| GRI Standard | Disclosure | Section * | Page No. |
|---|---|---|---|
| **GRI 2: General Disclosures 2021** | 2-1 Organizational details | • BRSR | 186 |
| | 2-2 Entities included in the organization's sustainability reporting | • BRSR | 187, 190 |
| | 2-3 Reporting period, frequency and contact point | • BRSR | 186 |
| | 2-4 Restatements of information | • BRSR | 187 |
| | 2-5 External assurance | • BRSR | 187, 197 |
| | 2-6 Activities, value chain and other business relationships | • BRSR | 187, 188 |
| | 2-7 Employees | • CG | 188 |
| | 2-9 Governance structure and composition | • CG<br>• BRSR | 137<br>197 |
| | 2-10 Nomination and selection of the highest governance body | • CG | 138 |
| | 2-11 Chair of the highest governance body | • CG | 139 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | • CG | 139, 140 |
| | 2-13 Delegation of responsibility for managing impacts | • BRSR | 197, 215 |
| | 2-14 Role of the highest governance body in sustainability reporting | • CG | 140 |
| | 2-15 Conflicts of interest | • CG | 139 |
| | 2-17 Collective knowledge of the highest governance body | • BRSR | 198 |
| | 2-19 Remuneration policies | • CG<br>• BRSR | 149<br>214 |
| | 2-21 Annual total compensation ratio | • BRSR | 214 |
| | 2-22 Statement on sustainable development strategy | • Letter from the CEO<br>• MDA<br>• BRSR | 9<br>108<br>196 |
| | 2-23 Policy commitments | • BRSR | 195, 199, 216, 230 |
| | 2-24 Embedding policy commitments | • BRSR | 195, 212, 216 |
| | 2-25 Processes to remediate negative impacts | • BRSR | 192, 203, 207, 215, 216, 229 |
| | 2-27 Compliance with laws and regulations | • BRSR | 198, 223 |
| | 2-28 Membership associations | • BRSR | 228 |
| | 2-29 Approach to stakeholder engagement | • BRSR | 208, 209 |
| | 2-30 Collective bargaining agreements | • BRSR | 203 |

[4] Requirement 7: Publish a GRI content index

* MDA: Management Discussion and Analysis, CG: Corporate Governance Report, BRSR: Business Responsibility and Sustainability Report

| GRI Standard | Disclosure | Section * | Page No. |
|---|---|---|---|
| **GRI 3: Material Topics 2021** | 3-1 Process to determine material topics | • GRI Annexures: Identification of Material Topics | 412 |
| | 3-2 List of material topics | • BRSR<br>• GRI Annexures: Identification of Material Topics | 193<br>413 |
| | 3-3 Management of material topics | • BRSR<br>• GRI Annexures: Identification of Material Topics | 193, 196, 206, 207<br>413 |
| **GRI 201: Economic Performance 2016** | 201-1 Direct economic value generated and distributed | • Financial Capital | 20 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | • MDA | 130 |
| | 201-3 Defined benefit plan obligations and other retirement plans | • BRSR | 202 |
| **GRI 204: Procurement Practices 2016** | 204-1 Proportion of spending on local suppliers | • BRSR | 229 |
| **GRI 205: Anti-corruption 2016** | 205-3 Confirmed incidents of corruption and actions taken | • BRSR | 199 |
| **GRI 207: Tax 2019** | 207-1 Approach to tax | • CG | 140 |
| **GRI 302: Energy 2016** | 302-1 Energy consumption within the organization | • BRSR | 216, 223 |
| | 302-3 Energy intensity | • BRSR | 216 |

| GRI Standard | Disclosure | Section * | Page No. |
|---|---|---|---|
| **GRI 303: Water and Effluents 2018** | 303-1 Interactions with water as a shared resource | • BRSR | 218 |
| | 303-2 Management of water discharge-related impacts | • BRSR | 218 |
| | 303-3 Water withdrawal | • BRSR | 217, 224 |
| | 303-4 Water discharge | • BRSR | 224 |
| | 303-5 Water consumption | • BRSR | 217 |
| **GRI 304: Biodiversity 2016** | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | • BRSR | 222 |
| | 304-2 Significant impacts of activities, products and services on biodiversity | • BRSR | 226 |
| | 304-3 Habitats protected or restored | • BRSR | 226 |
| **GRI 305: Emissions 2016** | 305-1 Direct (Scope 1) GHG emissions | • BRSR | 218 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | • BRSR | 218 |
| | 305-3 Other indirect (Scope 3) GHG emissions | • BRSR | 225 |
| | 305-4 GHG emissions intensity | • BRSR | 218, 225 |
| | 305-5 Reduction of GHG emissions | • BRSR | 219 |
| **GRI 306: Waste 2020** | 306-2 Management of significant waste-related impacts | • BRSR | 200, 221 |
| | 306-3 Waste generated | • BRSR | 220 |

| GRI Standard | Disclosure | Section * | Page No. |
|---|---|---|---|
| | 306-4 Waste diverted from disposal | • BRSR | 220 |
| | 306-5 Waste directed to disposal | • BRSR | 220 |
| **GRI 308: Supplier Environmental Assessment 2016** | 308-1 New suppliers that were screened using environmental criteria | • BRSR | 200, 227 |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | • BRSR | 227 |
| **GRI 401: Employment 2016** | 401-1 New employee hires and employee turnover | • Human Capital<br>• BRSR | 22<br>189 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | • BRSR | 201 |
| | 401-3 Parental leave | • BRSR | 203 |
| **GRI 402: Labor/ Management Relations 2016** | 402-1 Minimum notice periods regarding operational changes | • MDA | 115 |
| **GRI 403: Occupational Health and Safety 2018** | 403-1 Occupational health and safety management system | • BRSR | 205 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | • BRSR | 205, 206 |
| | 403-3 Occupational health services | • BRSR | 203 |
| | 403-6 Promotion of worker health | • BRSR | 205 |
| | 403-9 Work-related injuries | • BRSR | 206 |
| | 403-10 Work-related ill health | • BRSR | 206, 208 |

| GRI Standard | Disclosure | Section * | Page No. |
|---|---|---|---|
| **GRI 404: Training and Education 2016** | 404-1 Average hours of training per year per employee | • Human Capital<br>• BRSR | 23<br>203 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | • BRSR | 204 |
| **GRI 405: Diversity and Equal Opportunity 2016** | 405-1 Diversity of governance bodies and employees | • Human Capital<br>• BRSR | 22<br>189 |
| | 405-2 Ratio of basic salary and remuneration of women to men | • BRSR | 213, 214 |
| **GRI 406: Non-discrimination 2016** | 406-1 Incidents of discrimination and corrective actions taken | • BRSR | 215 |
| **GRI 413: Local Communities 2016** | 413-1 Operations with local community engagement, impact assessments, and development programs | • BRSR | 222, 228, 229 |

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## Independent Assurance Statement

**The Management and Board of Directors**
Tata Consultancy Services Limited,
Mumbai, India

**Scope**

We have been engaged by Tata Consultancy Services Limited to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on Tata Consultancy Services Limited Integrated Report FY 22 (the "Subject Matter") for the period from 01st April 2021 to 31st March 2022.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

**Criteria applied by** Tata Consultancy Services Limited

In preparing the integrated report, Tata Consultancy Services Limited applied, The International Integrated Reporting Council (IIRC framework), and Global Reporting Initiative (GRI) Standards, in accordance with Core (Criteria). GRI Standards - Core Criteria were specifically designed for Integrated report FY 22; As a result, the subject matter information may not be suitable for another purpose.

**TCS's responsibilities**

Tata Consultancy Services Limited management is responsible for selecting the Criteria, and for presenting the integrated report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

**EY's responsibilities**

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with Tata Consultancy Services Limited on 7th January 2022. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

**Our Independence and Quality Control**



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We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**Description of procedures performed**

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the integrated report and related information and applying analytical and other appropriate procedures

Our procedures included:

- Conducted interviews with select personnel at sites and corporate teams to understand the process for collecting, collating and reporting the subject matter as per Global Reporting Initiative (GRI) Standards;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Undertook analytical review procedures to support the reasonableness of the data
- Remote verification of data, on a selective test basis, for the following sites, through consultations with the site team and sustainability team;
  - Siruseri (Chennai)
  - Garima Park (Ahmedabad)
  - Sahyadri Park (Pune)
  - Corporate office (Mumbai)
- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation processes followed;
- Review of the Company's plans, policies and practices, pertaining to their social, environment and sustainable development, so as to be able to make comments on the fairness of sustainability reporting;
- Review of the Company's approach towards materiality assessment disclosed in the Report to identify relevant issues
- Review of selected qualitative statements in various sections of the integrated report

We also performed such other procedures as we considered necessary in the circumstances



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**Emphasis of matter**

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2021 to 31st March 2022)
- Data and information on economic and financial performance of the Company
- Data, statements and claims already available in the public domain through Integrated Annual Report, or other sources available in the public domain
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention provided by the Company
- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters

**Conclusion**

- Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Integrated Report FY 22 for the period from 01st April 2021 to 31st March 2022, in order for it to be in accordance with the Criteria.

**For and on behalf of Ernst & Young Associates LLP**

**Shailesh Tyagi**
**24th May 2022**
**Mumbai, India**



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TATA CONSULTANCY SERVICES

TATA

# TCS Safe Harbor Clause

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to, our ability to manage growth, intense competition among global IT services companies, various factors which may affect our profitability, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on cross-border movement of skilled personnel, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which TCS has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property, pandemics, natural disasters and general economic conditions affecting our industry. TCS may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

IT Services
Business Solutions
Consulting

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