

TATA CONSULTANCY SERVICES LIMITED

Unaudited condensed consolidated interim statement of financial position

	Note	As at June 30, 2024	As at March 31, 2024		
		(In million of USD)			
ASSETS					
Current assets					
Cash and cash equivalents	9(a)	919	1,081		
Bank deposits		532	456		
Investments	9(b)	3,898	3,776		
Trade receivables					
Billed	9(c)	5,621	5,328		
Unbilled		1,086	1,096		
Other financial assets	9(d)	289	320		
Income tax assets (net)		19	18		
Other assets	11(d)	1,488	1,475		
Total current assets		13,852	13,550		
Non-current assets					
Bank deposits		197	270		
Investments	9(b)	35	34		
Trade receivables					
Billed	9(c)	13	15		
Unbilled		4	2		
Other financial assets	9(d)	128	123		
Income tax assets (net)		213	192		
Deferred tax assets (net)		408	405		
Property, plant and equipment	11(a)	1,349	1,346		
Right-of-use assets	10	1,051	946		
Goodwill	11(b)	477	478		
Other intangible assets	11(c)	54	61		
Other assets	11(d)	416	394		
Total non-current assets		4,345	4,266		
TOTAL ASSETS		18,197	17,816		
LIABILITIES AND EQUITY					
Liabilities					
Current liabilities					
Lease liabilities		183	180		
Trade payables		1,384	1,197		
Other financial liabilities	9(e)	812	1,003		
Unearned and deferred revenue		402	437		
Other liabilities	11(e)	821	782		
Provisions	11(f)	17	17		
Employee benefit obligations	16	559	542		
Income tax liabilities (net)		1,452	1,371		
Total current liabilities		5,630	5,529		
Non-current liabilities					
Lease liabilities		880	781		
Other financial liabilities	9(e)	46	44		
Employee benefit obligations	16	85	82		
Deferred tax liabilities (net)		109	117		
Unearned and deferred revenue		47	58		
Total non-current liabilities		1,167	1,082		
TOTAL LIABILITIES		6,797	6,611		
Equity					
Share capital	9(i)	68	68		
Retained earnings		14,530	13,980		
Other equity		(3,295)	(2,944)		
Equity attributable to shareholders of the Company		11,303	11,104		
Non-controlling interests		97	101		
TOTAL EQUITY		11,400	11,205		
TOTAL LIABILITIES AND EQUITY		18,197	17,816		

See accompanying notes to unaudited condensed consolidated interim financial statements

TATA CONSULTANCY SERVICES LIMITED

Unaudited condensed interim statement of profit or loss and other comprehensive income

	Note	Three months ended June 30, 2024	Three months ended June 30, 2023
		(In million of USD, except shares and per share data)	
Revenue	12	7,505	7,226
Cost of revenue		<u>4,514</u>	<u>4,370</u>
Gross profit		<u>2,991</u>	<u>2,856</u>
Operating expenses		<u>1,140</u>	<u>1,182</u>
Selling, general and administrative expenses		<u>1,851</u>	<u>1,674</u>
Operating profit		<u>1,851</u>	<u>1,674</u>
Other income			
Finance and other income	14(a)	95	148
Finance costs	14(b)	(21)	(20)
Other gains (net)	14(c)	<u>20</u>	<u>22</u>
Other income (net)		<u>94</u>	<u>150</u>
Profit before taxes		<u>1,945</u>	<u>1,824</u>
Income tax expense	15	<u>495</u>	<u>471</u>
Profit for the period		<u>1,450</u>	<u>1,353</u>
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		4	1
Items that will be reclassified subsequently to profit or loss			
Net change in fair value of investments other than equity shares carried at fair value through OCI		5	16
Net change in intrinsic value of derivatives designated as cash flow hedges		-	1
Net change in time value of derivatives designated as cash flow hedges		-	1
Exchange differences on translation of foreign operations and translation to presentation currency		(40)	19
Total other comprehensive income / (losses), net of tax		<u>(31)</u>	<u>38</u>
Total comprehensive income for the period		<u>1,419</u>	<u>1,391</u>
Profit for the period attributable to:			
Shareholders of the Company		1,442	1,347
Non-controlling interests		<u>8</u>	<u>6</u>
Profit for the period attributable to:		<u>1,450</u>	<u>1,353</u>
Other comprehensive income for the period attributable to:			
Shareholders of the Company		(27)	44
Non-controlling interests		<u>(4)</u>	<u>(6)</u>
Other comprehensive income for the period attributable to:		<u>(31)</u>	<u>38</u>
Total comprehensive income for the period attributable to:			
Shareholders of the Company		1,415	1,391
Non-controlling interests		<u>4</u>	<u>-</u>
Earnings per share		<u>1,419</u>	<u>1,391</u>
Weighted average number of equity shares		3,618,087,518	3,659,051,373
Basic and diluted earnings per share in USD	17	0.40	0.37

See accompanying notes to unaudited condensed interim financial statements

TATA CONSULTANCY SERVICES LIMITED
Unaudited condensed consolidated interim statement of changes in equity

	Number of shares	Share capital	Retained earnings	Special Economic Zone re-investment reserve	Foreign currency translation reserve	Cash flow hedging reserve	Investment revaluation reserve	Equity attributable to shareholders of the Company	Non- controlling interests	Total equity	
(In million of USD, except share data)											
Balance as at April 1, 2024	3,618,087,518	68	13,980	2,099	(5,049)	(9)	(11)	26	11,104	101	11,205
Profit for the period	-	-	1,442	-	-	-	-	-	1,442	8	1,450
Other comprehensive income / (losses)	-	-	4	-	(36)	-	-	5	(27)	(4)	(31)
Total comprehensive income	-	-	1,446	-	(36)	-	-	5	1,415	4	1,419
Dividend	-	-	(1,216)	-	-	-	-	-	(1,216)	(8)	(1,224)
Transfer from Special Economic Zone re-investment reserve	-	-	320	(320)	-	-	-	-	-	-	-
Balance as at Jun 30, 2024	3,618,087,518	68	14,530	1,779	(5,085)	(9)	(11)	31	11,303	97	11,400
Balance as at April 1, 2023	3,659,051,373	68	14,536	1,565	(4,899)	(9)	(12)	3	11,252	97	11,349
Profit for the period	-	-	1,347	-	-	-	-	-	1,347	6	1,353
Other comprehensive income / (losses)	-	-	1	-	25	1	1	16	44	(6)	38
Total comprehensive income	-	-	1,348	-	25	1	1	16	1,391	-	1,391
Dividend	-	-	(1,071)	-	-	-	-	-	(1,071)	(7)	(1,078)
Transfer to Special Economic Zone re-investment reserve	-	-	(309)	309	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	164	(164)	-	-	-	-	-	-	-
Balance as at Jun 30, 2023	3,659,051,373	68	14,668	1,710	(4,874)	(8)	(11)	19	11,572	90	11,662

See accompanying notes to unaudited condensed consolidated interim financial statements

Gain of \$4 million and \$1 million on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for three months ended June 30, 2024 and 2023, respectively.

Retained earnings include statutory reserve of \$28 million and \$26 million as at June 30, 2024 and 2023, respectively.

Total equity (primarily retained earnings) includes \$194 million and \$199 million as at June 30, 2024 and 2023, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

TATA CONSULTANCY SERVICES LIMITED
Unaudited condensed consolidated interim statement of cash flows

	Three months ended June 30, 2024	Three months ended June 30, 2023
	(In million of USD)	
Cash flows from operating activities		
Profit for the period	1,450	1,353
Adjustments for:		
Depreciation and amortisation expense	146	151
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	5	2
Income tax expense	495	471
Net gain on lease modification	(1)	-
Unrealised foreign exchange loss	1	1
Net gain on disposal / fair valuation of investments	(1)	(2)
Dividend reinvested	(1)	-
Operating profit before working capital changes	2,094	1,976
Net change in		
Trade receivables		
Billed	(331)	(52)
Unbilled	(2)	32
Other financial assets	11	(44)
Other assets	(32)	-
Trade payables	208	6
Unearned and deferred revenue	(43)	(90)
Other financial liabilities	(180)	(279)
Other liabilities and provisions	67	75
Cash generated from operations	1,792	1,624
Taxes paid (net of refunds)	(454)	(241)
Net cash generated from operating activities	1,338	1,383

TATA CONSULTANCY SERVICES LIMITED
Unaudited condensed consolidated interim statement of cash flows

	Three months ended June 30, 2024	Three months ended June 30, 2023
	(In million of USD)	
Cash flows from investing activities		
Bank deposits placed	(22)	(110)
Purchase of investments*	(4,015)	(3,875)
Payment for purchase of property, plant and equipment	(96)	(41)
Payment including advances for acquiring right-of-use assets	(2)	-
Payment for purchase of intangible assets	(6)	(3)
Proceeds from bank deposits	11	58
Proceeds from inter-corporate deposits	7	36
Proceeds from disposal / redemption of investments*	3,897	3,651
Net cash used in investing activities	(226)	(284)
Cash flows from financing activities		
Repayment of lease liabilities	(50)	(50)
Dividend paid	(1,216)	-
Dividend paid to non-controlling interests	(8)	(7)
Net cash used in financing activities	(1,274)	(57)
Net change in cash and cash equivalents	(162)	1,042
Cash and cash equivalents at the beginning of the period	1,081	866
Exchange difference on translation of foreign currency cash and cash equivalents	-	(4)
Cash and cash equivalents at the end of the period	919	1,904
Components of cash and cash equivalents		
Cash at banks and in hand	285	286
Bank deposits (original maturity less than three months)	634	1,618
919	1,904	
Supplementary cash flow information		
Interest paid	21	19
Interest received	104	106
Dividend received	1	1

See accompanying notes to unaudited condensed consolidated interim financial statements

*Purchase of investments include \$2 million and \$14 million for three months ended June 30, 2024 and 2023, respectively, and proceeds from disposal / redemption of investments include \$7 million and \$2 million for three months ended June 30, 2024 and 2023, respectively, held by trusts and TCS Foundation held for specified purposes.

TATA CONSULTANCY SERVICES LIMITED
Notes to unaudited condensed consolidated interim financial statements

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 June 30, 2024, Tata Sons Private Limited, the holding company owned 71.74% of the Company’s equity share capital.

2) Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. The accompanying statement of financial position and related notes to accounts as of March 31, 2024 are derived from audited financial statements but these unaudited condensed consolidated interim financial statements do not include all of the financial information and footnotes required by IFRS for complete financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements, wherever applicable.

3) Basis of preparation

These unaudited condensed consolidated interim 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 unaudited condensed consolidated interim statement of cash flows has 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 Group classifies interest paid and interest and dividend received as cash flow from operating activities. 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 dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The material accounting policy information related to preparation of the unaudited condensed consolidated interim financial statements have been discussed in the respective notes.

TATA CONSULTANCY SERVICES LIMITED
Notes to unaudited condensed consolidated interim financial statements

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 presentation currency have been translated to the presentation currency using exchange rates prevailing on the dates of statement of financial position. Statement of profit or loss and other comprehensive income 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 profit or loss as part of the gain or loss on disposal.

These unaudited condensed consolidated interim financial statements are presented in US Dollars (\$) to facilitate the investors' ability to evaluate the Group's performance and financial position in comparison to similar companies domiciled in different foreign jurisdictions.

5) Use of estimates and judgements

The preparation of unaudited condensed consolidated interim financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management of the Group to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of unaudited condensed consolidated interim 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 judgements, estimates and assumptions in preparation of its unaudited condensed consolidated interim financial statements:

(a) Revenue recognition

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Group estimates the future cost-to-completion of the contracts which is used to determine degree of completion of the performance obligation.

TATA CONSULTANCY SERVICES LIMITED
Notes to unaudited condensed consolidated interim financial statements

The Group exercises judgement for identification of performance obligations, determination of transaction price, ascribing the transaction price to each distinct performance obligation and in determining whether the performance obligation is satisfied at a point in time or over a period of time. These judgements have been explained in detail under the revenue recognition note (Refer note 12).

(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 (Refer note 11(a)).

(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 (Refer note 11(b)).

(d) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position 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) Impairment of financial assets (other than at fair value)

Measurement of impairment of financial assets require use of estimates, which have been explained in the note on financial assets, financial liabilities and equity instruments, under impairment of financial assets (other than at fair value) (Refer note 9).

(f) Deferred tax assets

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.

(g) 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 disclosed 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 unaudited condensed consolidated interim financial statements.

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Notes to unaudited condensed consolidated interim financial statements

(h) 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 (Refer note 16).

(i) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. 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.

6) Nature and purpose of reserves

(a) Retained earnings

This reserve represents undistributed accumulated earnings of the Group as on the date of statement of financial position.

(b) 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 of India. 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 of India.

(c) Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than presentation currency is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

(d) 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 profit or loss in the period in which the underlying hedged transaction occurs.

(e) Investment revaluation reserve

This reserve represents the cumulative gains and losses arising on the revaluation of equity and debt instruments on the date of statement of financial position measured at fair value through other comprehensive income. The reserves accumulated will be reclassified to retained earnings and statement of profit or loss respectively, when such instruments are disposed.

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Notes to unaudited condensed consolidated interim financial statements

7) Recent accounting standards

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates¹

Amendments to IFRS 9 and IFRS 7²

IFRS 18 – Presentation and Disclosures in Financial Statements³

IFRS 19 – Subsidiaries without Public Accountability: Disclosures³

¹ Effective for annual periods beginning on or after January 1, 2025.

² Effective for annual periods beginning on or after January 1, 2026.

³ Effective for annual periods beginning on or after January 1, 2027.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify which exchange rate to use when the currency is not exchangeable. An entity must estimate the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. The Group does not expect this amendment to have any significant impact in its financial statements.

IFRS 9 and IFRS 7 – Financial Instruments and Financial Instruments: Disclosure

In May 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)" to address matters identified during the post-implementation review of IFRS 9. The amendments relate to derecognition of a financial liability settled through electronic transfer, classification of financial assets and disclosures of certain financial assets and financial liabilities. The Group will evaluate the amendments and implement them accordingly.

IFRS 18 – Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued its new standard IFRS 18 – Presentation and Disclosures in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard aims at improving how entities communicate in their financial statements. The Group will evaluate the standard and implement it accordingly.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued a new standard IFRS 19 - Subsidiaries without Public Accountability: Disclosures. The standard allows a subsidiary which does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards, to elect IFRS 19. Such an entity applies the requirements in other IFRS Accounting Standards, except for the disclosure requirements, instead the entity applies the requirements in IFRS 19.

8) Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised in determination of profit or loss after reassessing the fair values of the net assets and contingent liabilities.

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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.

9) 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, except for trade receivables which are initially measured at transaction price. 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 profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

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Notes to unaudited condensed consolidated interim financial statements

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 financial risk management policy as approved by the Risk Management Committee. The policy provides principles on the use of such financial derivatives consistent with the risk management strategy of the company and its subsidiaries. While determining the appropriate hedge ratio, the Group takes into consideration the prevailing macro-economic conditions, the availability and liquidity of the hedging instruments, tolerance levels for hedge ineffectiveness and the costs of hedging. The hedging activities are reviewed by the Risk Management Committee every quarter and future course of action is determined.

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 profit or 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 in profit or loss when the related hedged items affect profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised into profit or loss when the forecasted transaction ultimately affects profit or loss. Any gain or loss is recognised immediately in profit or 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 profit or loss.

Impairment of financial assets (other than at fair value)

The Group assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 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 allowance for expected credit losses 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

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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) Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Cash at banks and in hand	285	336
Bank deposits (original maturity less than three months)	634	745
Total	919	1,081
Held within India	237	307
Held outside India	682	774
Total	919	1,081

(b) Investments

Investments consist of the following:

Investments – Current

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Investments carried at fair value through profit or loss		
Mutual fund units	456	283
	456	283
Investments carried at fair value through OCI		
Government bonds and securities	2,967	2,968
Corporate bonds	409	408
	3,376	3,376
Investments carried at amortised cost		
Corporate bonds	4	4
Certificate of deposits	62	-
Commercial papers	-	113
	66	117
Total	3,898	3,776

Investments – Current includes \$18 million and \$24 million as at June 30, 2024 and March 31, 2024, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

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Investments – Non-current

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Investments designated at fair value through OCI		
Equity shares	4	4
	<u>4</u>	<u>4</u>
Investments carried at amortised cost		
Government bonds and securities	23	23
Corporate bonds	8	7
	<u>31</u>	<u>30</u>
Total	35	34

Investments – Non-current includes \$31 million and \$30 million as at June 30, 2024 and March 31, 2024, respectively, pertaining to trusts held for specified purposes.

(c) Trade receivables - Billed

Trade receivables - Billed consist of the following:

Trade receivables - Billed – Current

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Trade receivables - Billed		
Less: Allowance for expected credit losses	5,686	5,394
Total	(65)	(66)
	5,621	5,328

Trade receivables - Billed – Non-current

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Trade receivables - Billed		
Less: Allowance for expected credit losses	95	92
Total	(82)	(77)
	13	15

(d) Other financial assets

Other financial assets consist of the following:

Other financial assets – Current

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Security deposits		
Fair value of foreign exchange derivative assets	33	41
Interest receivable	15	17
Earmarked balances with banks	82	92
Loans and advances to employees	57	57
Inter-corporate deposits	70	77
Others	13	20
Total	19	16
	289	320

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Other financial assets – Non-current

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Security deposits	98	90
Earmarked balances with banks	26	26
Interest receivable	4	7
Total	128	123

Earmarked balances with banks primarily relate to margin money for purchase of investments, unclaimed dividends and liquidity backstop as a part of regulatory requirements.

Inter-corporate deposits yield fixed interest rate and are placed with financial institutions, who are authorised to accept and use such inter-corporate deposits as per regulations applicable to them. Inter-corporate deposits include \$13 million and \$13 million as at June 30, 2024 and March 31, 2024, respectively, pertaining TCS Foundation held for specified purposes.

Interest receivable includes \$18 million and \$13 million as at June 30, 2024 and March 31, 2024, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

(e) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Current

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Capital creditors	65	75
Fair value of foreign exchange derivative liabilities	13	14
Liabilities towards customer contracts	123	181
Accrued payroll	563	691
Unclaimed dividends	7	6
Others	41	36
Total	812	1,003

Other financial liabilities – Non-current

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Capital creditors	11	8
Others	35	36
Total	46	44

Others include advance taxes paid of \$27 million and \$27 million as at June 30, 2024 and March 31, 2024, respectively, by the seller of TCS e-Serve Limited (merged with the Company) which, on refund by tax authorities, is payable to the seller.

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(f) Financial instruments by category

The carrying value of financial instruments by categories as at June 30, 2024 is as follows:

	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
	(In million of USD)					
Financial assets						
Cash and cash equivalents	-	-	-	-	919	919
Bank deposits	-	-	-	-	729	729
Investments	456	3,380	-	-	97	3,933
Trade receivables						
Billed	-	-	-	-	5,634	5,634
Unbilled	-	-	-	-	1,090	1,090
Earmarked balances with banks	-	-	-	-	83	83
Other financial assets	-	-	6	9	319	334
Total	456	3,380	6	9	8,871	12,722
Financial liabilities						
Trade payables	-	-	-	-	1,384	1,384
Lease liabilities	-	-	-	-	1,063	1,063
Other financial liabilities	-	-	-	13	845	858
Total	-	-	-	13	3,292	3,305

The carrying value of financial instruments by categories as at March 31, 2024 is as follows:

	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
	(In million of USD)					
Financial assets						
Cash and cash equivalents	-	-	-	-	1,081	1,081
Bank deposits	-	-	-	-	726	726
Investments	283	3,380	-	-	147	3,810
Trade receivables						
Billed	-	-	-	-	5,343	5,343
Unbilled	-	-	-	-	1,098	1,098
Earmarked balances with banks	-	-	-	-	83	83
Other financial assets	-	-	6	11	343	360
Total	283	3,380	6	11	8,821	12,501
Financial liabilities						
Trade payables	-	-	-	-	1,197	1,197
Lease liabilities	-	-	-	-	961	961
Other financial liabilities	-	-	-	14	1,033	1,047
Total	-	-	-	14	3,191	3,205

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at June 30, 2024 and March 31, 2024, 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 \$96 million and \$146 million as at June 30, 2024 and March 31, 2024, respectively.

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(g) 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):

As at June 30, 2024	Level 1	Level 2	Level 3	Total
	(In million of USD)			
Financial assets				
Mutual fund units	456	-	-	456
Equity shares	-	-	4	4
Government bonds and securities	2,989	-	-	2,989
Corporate bonds	421	-	-	421
Certificate of deposits	62	-	-	62
Fair value of foreign exchange derivative assets	-	15	-	15
Total	3,928	15	4	3,947
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	13	-	13
Total	-	13	-	13
As at March 31, 2024	Level 1	Level 2	Level 3	Total
	(In million of USD)			
Financial assets				
Mutual fund units	283	-	-	283
Equity shares	-	-	4	4
Government bonds and securities	2,990	-	-	2,990
Corporate bonds	419	-	-	419
Commercial papers	113	-	-	113
Fair value of foreign exchange derivative assets	-	17	-	17
Total	3,805	17	4	3,826
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	14	-	14
Total	-	14	-	14

(h) 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

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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 June 30, 2024			As at March 31, 2024		
	No. of contracts	Notional amount of contracts (In million)	Fair value (In million of USD)	No. of contracts	Notional amount of contracts (In million)	Fair value (In million of USD)
US Dollar	4	100	-	19	475	1
Great Britain Pound	27	230	3	29	230	3
Euro	27	230	3	28	235	2

The movement in cash flow hedging reserve for derivatives designated as cash flow hedges is as follows:

	Three months ended		Year ended	
	June 30, 2024		March 31, 2024	
	Intrinsic value	Time value	Intrinsic value	Time value
Balance at the beginning of the year				
(Gain) / loss transferred to profit or loss on occurrence of forecasted hedge transactions	(9)	(11)	(9)	(12)
Deferred tax on (gain) / loss transferred to profit or loss on occurrence of forecasted hedge transactions	(3)	7	(16)	30
Change in the fair value of effective portion of cash flow hedges	1	(2)	3	(7)
Deferred tax on change in the fair value of effective portion of cash flow hedges	4	(7)	17	(28)
Balance at the end of the year	(2)	2	(4)	6
	(9)	(11)	(9)	(11)

The Group has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at June 30, 2024 and March 31, 2024, the notional amount of outstanding contracts aggregated to \$6,538 million and \$6,114 million, respectively and the respective fair value of these contracts have a net loss of \$4 million and \$2 million.

Exchange loss of \$2 million and gain of \$24 million on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in profit or loss for three months ended June 30, 2024 and 2023, respectively.

Net foreign exchange gain / (loss) include loss of \$4 million and \$5 million transferred from cash flow hedging reserve to profit or loss on occurrence of forecasted hedge transactions for three months ended June 30, 2024 and 2023, respectively.

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(i) Equity instruments

The authorised, issued, subscribed and fully paid up share capital consist of the following:

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Authorised		
Equity shares of ₹1 each (4,600,500,000 shares and 4,600,500,000 shares)	86	86
Preference shares of ₹1 each (1,050,250,000 shares and 1,050,250,000 shares)	20	20
	106	106
Issued, Subscribed and Fully paid up		
Equity shares of ₹1 each (3,618,087,518 shares and 3,618,087,518 shares)	68	68
Total	68	68

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 Company bought back 4,09,63,855 equity shares for an aggregate amount of ₹17,000 crore (USD equivalent \$2,045 million) being 1.12% of the total paid up equity share capital at ₹4,150 (USD equivalent \$49.91) per equity share in the previous year. The equity shares bought back were extinguished on December 13, 2023.

10) 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 profit or 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

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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 profit or 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 profit or loss.

The Group has elected not to apply the requirements of IFRS 16 - 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 IFRS 15 - 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:

	Additions for three months ended June 30, 2024	Net carrying amount as at June 30, 2024
	(In million of USD)	
Leasehold land	-	111
Buildings	165	904
Leasehold improvements	-	3
Computer equipment	-	22
Furniture, fixtures, office equipment and other assets	1	5
Software licences	-	6
Total	166	1,051

	Additions for the year ended March 31, 2024	Net carrying amount as at March 31, 2024
	(In million of USD)	
Leasehold land	-	111
Buildings	268	795
Leasehold improvements	-	3
Computer equipment	15	24
Furniture, fixtures, office equipment and other assets	3	5
Software licences	-	8
Total	286	946

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Depreciation on right-of-use assets is as follows:

	Three months ended June 30, 2024	Three months ended June 30, 2023
	(In million of USD)	
Buildings	48	48
Computer equipment	3	1
Furniture, fixtures, office equipment and other assets	1	1
Software licences	1	1
Total	53	51

Interest on lease liabilities is \$18 million and \$15 million for three months ended June 30, 2024 and 2023, respectively.

11) 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
Computer equipment	4 years
Furniture, fixtures, office equipment and other assets	2-10 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. Capital work-in-progress includes capital advances.

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 profit or loss.

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Property, plant and equipment consist of the following:

	Freehold land	Buildings	Leasehold improve- ments	Computer equipment	Furniture, fixtures, office equipment and other assets	Total
	(In million of USD)					
Cost as at April 1, 2024	43	994	331	1,701	990	4,059
Additions	-	11	4	38	14	67
Disposals	-	-	(2)	(7)	(2)	(11)
Translation exchange difference	-	(1)	(4)	(10)	(4)	(19)
Cost as at June 30, 2024	43	1,004	329	1,722	998	4,096
Accumulated depreciation as at April 1, 2024	-	(498)	(244)	(1,382)	(814)	(2,938)
Depreciation	-	(12)	(5)	(47)	(15)	(79)
Disposals	-	-	2	7	2	11
Translation exchange difference	-	-	3	7	3	13
Accumulated depreciation as at June 30, 2024	-	(510)	(244)	(1,415)	(824)	(2,993)
Net carrying amount as at June 30, 2024	43	494	85	307	174	1,103
Capital work-in-progress*						246
Total						1,349

*\$67 million has been capitalised and transferred to property, plant and equipment during three months ended June 30, 2024.

	Freehold land	Buildings	Leasehold improve- ments	Computer equipment	Furniture, fixtures, office equipment and other assets	Total
	(In million of USD)					
Cost as at April 1, 2023	44	981	324	1,633	951	3,933
Additions	-	26	23	117	65	231
Disposals	-	-	(12)	(34)	(14)	(60)
Translation exchange difference	(1)	(13)	(4)	(15)	(12)	(45)
Cost as at March 31, 2024	43	994	331	1,701	990	4,059
Accumulated depreciation as at April 1, 2023	-	(454)	(236)	(1,223)	(777)	(2,690)
Depreciation	-	(50)	(22)	(203)	(62)	(337)
Disposals	-	-	12	33	14	59
Translation exchange difference	-	6	2	11	11	30
Accumulated depreciation as at March 31, 2024	-	(498)	(244)	(1,382)	(814)	(2,938)
Net carrying amount as at March 31, 2024	43	496	87	319	176	1,121
Capital work-in-progress*						225
Total						1,346

*\$231 million has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2024.

(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.

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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 economic uncertainties, 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:

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Balance at the beginning of the period	478	488
Translation exchange difference	(1)	(10)
Balance at the end of the period	477	478

(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 profit or loss.

Intangible assets consist of the following:

	Rights under licensing agreement and software licences	Customer- related intangibles	Total
	(In million of USD)		
Cost as at April 1, 2024	240	16	256
Additions	7	-	7
Disposals / Derecognised	(3)	-	(3)
Cost as at June 30, 2024	244	16	260
Accumulated amortisation as at April 1, 2024	(179)	(16)	(195)
Amortisation	(14)	-	(14)
Disposals / Derecognised	3	-	3
Accumulated amortisation as at June 30, 2024	(190)	(16)	(206)
Net carrying amount as at June 30, 2024	54	-	54

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	Rights under licensing agreement and software licences	Customer- related intangibles	Total
	(In million of USD)		
Cost as at April 1, 2023	229	16	245
Additions	16	-	16
Disposals / Derecognised	(2)	-	(2)
Translation exchange difference	(3)	-	(3)
Cost as at March 31, 2024	240	16	256
Accumulated amortisation as at April 1, 2023	(124)	(16)	(140)
Amortisation	(58)	-	(58)
Disposals / Derecognised	1	-	1
Translation exchange difference	2	-	2
Accumulated amortisation as at March 31, 2024	(179)	(16)	(195)
Net carrying amount as at March 31, 2024	61	-	61

(d) Other assets

Other assets consist of the following:

Other assets – Current

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Advances to suppliers	129	137
Contract assets	823	701
Prepaid expenses	128	246
Contract fulfillment costs	217	190
Indirect taxes recoverable	151	154
Others	40	47
Total	1,488	1,475

Other assets – Non-current

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Contract assets	44	35
Prepaid expenses	314	307
Contract fulfillment costs	34	30
Others	24	22
Total	416	394

Non-current – Others includes advance of \$21 million and \$21 million towards acquiring right-of-use of leasehold land as at June 30, 2024 and March 31, 2024, respectively.

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(e) Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Advances received from customers	221	221
Indirect taxes payable and other statutory liabilities	554	519
Others	46	42
Total	821	782

(f) Provisions

Provisions consist of the following:

Provisions – Current

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Provision for foreseeable loss	12	12
Other provisions	5	5
Total	17	17

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

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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 IAS 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.

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Revenue disaggregation by nature of services is as follows:

	Three months ended June 30, 2024	Three months ended June 30, 2023
	(In million of USD)	
Consultancy services	7,411	7,151
Sale of equipment and software licences	94	75
Total	7,505	7,226

Revenue disaggregation by industry vertical and geography has been included in segment information (Refer note 18).

13) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary functions in the following categories:

Cost of revenue

These costs primarily include employee compensation of personnel engaged in providing services, travel expenses, fees to external consultants, cost of equipment and software licences, depreciation and amortisation of production related equipment and software, facility expenses, communication expenses and other project related expenses.

Selling, general and administrative expenses

Selling costs primarily include employee compensation for sales and marketing personnel, travel expenses, advertising, business promotion expenses, bad debts and advances written off, allowance for expected credit losses and doubtful advances (net), facility expenses for sales and marketing offices and market research costs.

General and administrative costs primarily include employee compensation for administrative, supervisory, managerial and practice management personnel, depreciation and amortisation expenses of non-production equipment and software, facility expenses for administrative offices, communication expenses, fees to external consultants and other general expenses.

Expenses by nature

	Three months ended June 30, 2024	Three months ended June 30, 2023
	(In million of USD)	
Employee cost	4,365	4,277
Fees to external consultants	319	558
Facility expenses	99	92
Depreciation and amortisation expense	146	151
Cost of equipment and software licences	258	62
Travel expenses	101	97
Communication expenses	66	70
Bad debts and advances written off, allowance for expected credit losses and doubtful advances (net)	5	2
Other expenses	295	243
Total	5,654	5,552

Refer note 16 for function wise bifurcation of employee cost.

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The Company made a contribution to an electoral trust of \$26 million and NIL for three months ended June 30, 2024 and 2023, respectively, which is included in other expenses.

14) Other income

(a) Finance and other income

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

	Three months ended June 30, 2024	Three months ended June 30, 2023
	(In million of USD)	
Dividend received	1	1
Interest on bank balances and bank deposits	25	21
Interest on financial assets carried at fair value through OCI	63	67
Interest on financial assets carried at amortised cost	6	15
Others	-	44
Total	95	148

(b) Finance costs

	Three months ended June 30, 2024	Three months ended June 30, 2023
	(In million of USD)	
Interest on lease liabilities	18	15
Interest on tax matters	1	2
Other interest costs	2	3
Total	21	20

(c) Other gains (net)

	Three months ended June 30, 2024	Three months ended June 30, 2023
	(In million of USD)	
Net gain on lease modification	1	-
Net gain on disposal / fair valuation of investments carried at fair value through profit or loss	6	9
Net gain on disposal of financial assets other than equity shares carried at fair value through OCI	-	1
Net foreign exchange gain / (loss)	11	9
Others	2	3
Total	20	22

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 profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

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Current income taxes

The current income tax expense includes income taxes payable by the Company and its subsidiaries in India and overseas.

The Company has recognised income tax expenses applying the provisions under section 115BAA of the Income-tax Act, 1961.

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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Advance taxes and provisions for current income taxes are presented in the statement of financial position 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.

The Organisation for Economic Co-operation and Development (OECD) has published the model rules for global minimum tax (Pillar Two model rules). Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions where the Group operates. The Group is within the scope of the OECD Pillar Two model rules and has evaluated the potential exposure to global minimum tax. The Group does not expect any material financial impact for the current period. The evaluation of the potential exposure is based on the most recent country-by-country reporting, and financial statements for the constituent entities in the Group.

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, 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 the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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.

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The income tax expense consists of the following:

	Three months ended June 30, 2024	Three months ended June 30, 2023
	(In million of USD)	
Current tax expense	515	471
Deferred tax benefit	(20)	-
	495	471

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. Contingent liability in respect of tax demands received from direct tax authorities in India and other jurisdictions is \$222 million and \$224 million as at June 30, 2024 and March 31, 2024, 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 \$38 million and \$38 million as at June 30, 2024 and March 31, 2024, 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.

16) 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 the date of each statement of financial position. 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 statement of financial position 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 statement of financial position 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.

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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 date of statement of financial position. 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 date of statement of financial position using the Projected Unit Credit Method.

Function wise employee cost consists of the following:

	Three months ended June 30, 2024	Three months ended June 30, 2023
	(In million of USD)	
Cost of revenue	3,450	3,322
Selling, general and administrative expenses	915	955
Total	4,365	4,277

Employee cost consist of the following:

	Three months ended June 30, 2024	Three months ended June 30, 2023
	(In million of USD)	
Salaries, incentives and allowances	3,892	3,826
Contributions to provident and other funds	358	332
Staff welfare expenses	115	119
Total	4,365	4,277

Employee benefit obligations consist of the following:

Employee benefit obligations – Current

	As at June 30, 2024	As at March 31, 2024
	(In million of USD)	
Compensated absences	554	537
Other employee benefit obligations	5	5
Total	559	542

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Employee benefit obligations – Non-current

	As at June 30, 2024	As at March 31, 2024
	(in million of USD)	
Gratuity liability	2	1
Foreign defined benefit plans	60	60
Other employee benefit obligations	23	21
Total	85	82

17) 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 periods presented.

	Three months ended June 30, 2024	Three months ended June 30, 2023
Profit for the period attributable to Shareholders of the Company (In million of USD)	1,442	1,347
Weighted average number of equity shares	3,618,087,518	3,659,051,373
Basic and diluted earnings per share in USD	0.40	0.37
Face value per equity share in ₹	1	1

18) 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) 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. 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.

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Summarised segment information for three months ended June 30, 2024 and 2023 is as follows:

	Three months ended June 30, 2024						
	Banking, Financial Services and Insurance	Manufacturing	Consumer Business	Communication, Media and Technology	Life Sciences and Healthcare	Others	Total
	(In million of USD)						
Revenue	2,766	752	1,197	1,294	828	668	7,505
Segment result	722	251	314	295	250	165	1,997
Depreciation and amortisation expense							146
Total unallocable expenses							146
Operating profit							1,851
Other income (net)							94
Profit before taxes							1,945
Income tax expense							495
Profit for the period							1,450

	Three months ended June 30, 2023						
	Banking, Financial Services and Insurance	Manufacturing	Consumer Business	Communication, Media and Technology	Life Sciences and Healthcare	Others	Total
	(In million of USD)						
Revenue	2,758	686	1,202	1,168	808	604	7,226
Segment result	665	197	301	326	217	119	1,825
Depreciation and amortisation expense							151
Total unallocable expenses							151
Operating profit							1,674
Other income (net)							150
Profit before taxes							1,824
Income tax expense							471
Profit for the period							1,353

Information regarding geographical revenue is as follows:

	Three months ended June 30, 2024	Three months ended June 30, 2023	(In million of USD)
Americas			
North America		3,712	3,759
Latin America		145	142
Europe			
United Kingdom		1,265	1,187
Continental Europe		1,078	1,079
Asia Pacific			
India		590	564
Middle East and Africa		559	351
Total		156	144
		7,505	7,226

Geographical revenue is allocated based on the location of the customers.

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19) Commitments and contingencies

Capital commitments

The Group has contractually committed (net of advances) \$258 million and \$244 million as at June 30, 2024 and March 31, 2024, respectively, for purchase of property, plant and equipment.

Contingencies

• **Direct tax matters**

Refer note 15.

• **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 \$138 million and \$139 million as at June 30, 2024 and March 31, 2024, 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 \$26 million and \$27 million as at June 30, 2024 and March 31, 2024, respectively, against the Group have not been acknowledged as debts.
- In April 2019, Computer Sciences Corporation (referred to as CSC) filed a legal claim against the Company in the Court of Northern District of Texas and Dallas Division (trial court) alleging misappropriation of trade secrets and other CSC's confidential information and sought preliminary and permanent injunctive relief, and unspecified monetary damages and disgorgement of profits.

A trial before an advisory jury was held and on November 17, 2023, the jury returned an advisory verdict in favour of CSC, finding that the Company misappropriated CSC's trade secrets and recommended compensation of \$70 million and a further punitive damage of \$140 million to be paid by the Company to CSC. Subsequently, the parties filed their respective written submissions in the matter. On June 13, 2024, the trial court passed a judgement as follows:

1. The Court ordered that the Company is liable to CSC for \$56 million in compensatory damages and \$112 million in exemplary damages.
2. The Court also assessed that the Company is liable for \$25 million in prejudgment interest through June 13, 2024.
3. The Court also passed certain injunction and other reliefs against the Company.

The Company, based on external opinion and legal assessment, believes that it has a strong case and would defend its position vigorously and pursue legal remedies to overturn the adverse judgement of the trial court.

- 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. Pursuant to unfavourable judgment from the District Court and Appeals Court which awarded \$140 million as compensatory damages and \$140 million as punitive damages, Epic invoked payment of \$140 million out of \$440 million Letter of Credit provided as security, towards compensatory damages in April 2022. The Company's petition to the

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Supreme Court to review the entire judgement including both the compensatory and punitive damages reaffirmed by the Appeals Court was rejected by the Supreme Court on November 20, 2023, pursuant to which, punitive damages of \$140 million was paid on December 1, 2023. The Company provided the balance punitive damages amount of \$115 million in its financial statements for the year ended March 31, 2024 and disclosed the same in the consolidated statement of profit or loss.

- **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.

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20) List of direct and indirect subsidiaries, country of incorporation and percentage of voting power

Name of the Company	Country of incorporation	% of voting power as at June 30, 2024	% of voting power as at March 31, 2024
Subsidiaries (held directly)			
Tata America International Corporation	USA	100.00	100.00
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00
TCS Iberoamerica S.A.	Uruguay	100.00	100.00
Tata Consultancy Services Belgium	Belgium	100.00	100.00
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00
Tata Consultancy Services Netherlands B.V.	Netherlands	100.00	100.00
Tata Consultancy Services Sverige Aktiebolag	Sweden	100.00	100.00
Diligenta Limited	UK	100.00	100.00
Tata Consultancy Services UK Limited	UK	100.00	100.00
Tata Consultancy Services Ireland Limited	Ireland	100.00	100.00
Tata Consultancy Services Asia Pacific Pte. Ltd.	Singapore	100.00	100.00
TCS FNS Pty Limited	Australia	100.00	100.00
APTONline Limited	India	89.00	89.00
C-Edge Technologies Limited	India	51.00	51.00
MP Online Limited	India	89.00	89.00
TCS e-Serve International Limited	India	100.00	100.00
MahaOnline Limited	India	74.00	74.00
Tata Consultancy Services (Africa) (Proprietary) Limited	South Africa	100.00	100.00
Tata Consultancy Services Qatar	Qatar	100.00	100.00
TCS Foundation	India	100.00	100.00
Subsidiaries (held indirectly)			
Tata Consultancy Services Argentina S.A.	Argentina	100.00	100.00
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00
Tata Consultancy Services De Mexico, S.A. De C.V.	Mexico	100.00	100.00
Tata Consultancy Services Do Brasil Ltda.	Brazil	100.00	100.00
TCS Inversiones Chile Limitada	Chile	100.00	100.00
TCS Solution Center S.A.	Uruguay	100.00	100.00
Tatasolution Center S.A.	Ecuador	100.00	100.00
MGDC S.C.	Mexico	100.00	100.00
TCS Uruguay S.A.	Uruguay	100.00	100.00
Tata Consultancy Services Guatemala, S.A.	Gautemala	100.00	100.00

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Name of the Company	Country of incorporation	% of voting power as at	% of voting power as at
		June 30, 2024	March 31, 2024
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00
Tata Consultancy Services Italia S.R.L.	Italy	100.00	100.00
Tata Consultancy Services (Portugal), Unipessoal Lda	Portugal	100.00	100.00
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00
Tata Consultancy Services Switzerland Ltd	Switzerland	100.00	100.00
Tata Consultancy Services France	France	100.00	100.00
Tata Consultancy Services Saudi Arabia	Saudi Arabia	100.00	100.00
TCS Business Services GmbH	Germany	100.00	100.00
Tata Consultancy Services Bulgaria EOOD	Bulgaria	100.00	100.00
TCS Technology Solutions GmbH	Germany	100.00	100.00
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00
Diligenta (Europe) B.V.	Netherlands	100.00	100.00
Tata Consultancy Services Malaysia Sdn. Bhd.	Malaysia	100.00	100.00
TCS Financial Solutions Australia Pty Ltd	Australia	100.00	100.00
Tata Consultancy Services Indonesia, PT	Indonesia	100.00	100.00
Tata Consultancy Services (China) Co., Ltd.	China	100.00	100.00
TCS Financial Solutions (Beijing) Co., Ltd.	China	100.00	100.00
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00
Tata Consultancy Services Japan, Ltd.	Japan	66.00	66.00
Tata Consultancy Services (South Africa) (Proprietary) Limited	South Africa	100.00	100.00

21) Related party transactions

The Company paid an amount of \$874 million to Tata Sons Private Limited, the holding company, towards final dividend for the year ended March 31, 2024, as approved by the shareholders in the Annual General Meeting.

Pursuant to contract for procurement of hardware, software and services, outstanding advances paid to Tejas Networks Limited, a subsidiary of Tata Sons Private Limited, as on June 30, 2024 is \$115 million.

- 22)** The Board of Directors approved post-employment benefits, payable to the retiring COO and Executive Director, which has been actuarially valued. Accordingly, the Company has recorded an expense of \$3 million during three months ended June 30, 2024.
- 23)** 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. 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.
- 24)** Amounts for the year ended and as at March 31, 2024 represent audited amounts.

25) Dividend

The Board of Directors at its meeting held on July 11, 2024, has declared an interim dividend of ₹10.00 (USD equivalent \$0.12) per equity share.