TATA CONSULTANCY SERVICES

TATA

Innovating for **Greater Futures**

Subsidiary Financials 21 22

CONTENT

APTOnline Limited

(Company Registration Number: 039671)
(CIN: U75142TG2002PLC039671)

FINANCIAL STATEMENTS

For the year ended
March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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Independent Auditor's Report

TO THE MEMBERS OF
APTONLINE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of APTOnline Limited (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other informationidentified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 19 to the financial statements;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

d. (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the note 23 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(ii) The management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 23 to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement

e. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

According to the information and explanations given to us, no remuneration has been paid by the Company to any of its directors. Accordingly, provisions of Section 197 of the Act relating to remuneration to directors are not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
UDIN: 22130778AHXEAE5606

Mumbai
27 April 2022

Annexure A to the Independent Auditor's report on the financial statements

(Referred to our report of even date)

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified every year. In accordance with this programme, Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. .No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

vii. (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST. As explained to us, the Company did not have any dues of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Provident Fund, Employees State Insurance, Income-Tax, or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute. The following dues of Value added tax and sales tax, have not been deposited by the Company on account of dispute:

Name of the statute	Nature of the dues	Amount under dispute (Rs in Lakhs)	Amount paid under protest (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	2.30	2.30	2002-03 to 2004-05	Appellate Tribunal, Hyderabad
Andhra Pradesh Value Added Tax Act, 2005	VAT (including Penalty)	16.46	11.49	2005-06 to 2011-12	Appellate Tribunal, Hyderabad

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on shortterm basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable..

xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Establishment of vigil mechanism is not mandated for the Company. As represented to us by the management, there are no whistle blower complaints received by the Company during the year under the vigil mechanism established voluntarily.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit,the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii.There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
UDIN: 22130778AHXEAE5606

Mumbai
27 April 2022

Annexure B to the Independent Auditor's Report on the financial statements

Report on the internal financial controls with reference to the aforesaid financial statements

(Referred our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of APTOnline Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
UDIN: 22130778AHXEAE5606

Mumbai
27 April 2022

Balance Sheet

(₹ in lakhs)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	8(a)	**332.95**	316.58
Right-of-use assets	7	**-**	15.67
Intangible assets	8(b)	**53.04**	78.59
Financial assets			
Trade receivables	6(b)		
Unbilled		**1.64**	-
Income-tax assets (net)		**1,006.58**	792.21
Deferred tax assets (net)	15	**333.10**	246.19
Total non-current assets		**1,727.31**	1,449.24
Current assets			
Inventories	8(d)	**26.15**	36.22
Financial assets			
Investments	6(a)	**3,155.08**	2,161.79
Trade receivables			
Billed	6(b)	**6,204.90**	7,410.04
Unbilled		**366.94**	335.74
Cash and cash equivalents	6(c)	**1,447.40**	1,122.86
Other balances with banks	6(d)	**-**	3,170.00
Loans	6(e)	**16.55**	9.06
Other financial assets	6(f)	**5,780.66**	508.20
Other assets	8(c)	**260.03**	255.13
Total current assets		**17,257.71**	15,009.04
TOTAL ASSETS		**18,985.02**	16,458.28
EQUITY AND LIABILITIES			
Equity			
Share capital	6(m)	**177.00**	177.00
Other equity	9	**10,567.59**	9,896.66
Total equity		**10,744.59**	10,073.66
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
Employee benefit obligations	12	**108.24**	67.04
Total non-current liabilities		**108.24**	67.04
Current liabilities			
Financial liabilities			
Lease liabilities		**-**	20.48
Trade payables			
Dues of small enterprises and micro enterprises	6(g)	**-**	11.23
Dues of creditors other than small enterprises and micro enterprises	6(h)	**2,138.22**	2,898.79
Other financial liabilities	6(i)	**4,849.59**	2,252.57
Unearned and deferred revenue		**23.79**	17.61
Other liabilities	8(e)	**887.30**	911.41
Employee benefit obligations	12	**29.19**	16.05
Income-tax liabilities (net)		**204.10**	189.44
Total current liabilities		**8,132.19**	6,317.58
TOTAL EQUITY AND LIABILITIES		**18,985.02**	16,458.28
NOTES FORMING PART OF THE FINANCIALS STATEMENTS	1-24		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Rajesh Shetty
Partner
Membership number : 130778
Mumbai
Date: April 27, 2022

For and on behalf of the Board

Tej Paul Bhatla
Director
DIN:08491426

V Rajanna
Director
DIN:01280277

Date: April 27, 2022

Statement of Profit and Loss

(₹ in lakhs)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	10	**13,509.45**	15,061.43
Other income	11	**384.48**	302.48
TOTAL INCOME		**13,893.93**	15,363.91
Expenses			
Employee benefits expenses	12	**2,197.74**	2,200.40
Direct costs	13(a)	**8,284.64**	9,774.17
Purchases of stock-in-trade	13(b)	**213.29**	215.06
Changes in inventories of stock-in-trade	13(c)	**10.07**	8.59
Finance costs	14	**3.51**	5.48
Depreciation and amortisation expense		**236.76**	214.32
Other expenses	13(d)	**803.74**	843.68
TOTAL EXPENSES		**11,749.75**	13,261.70
PROFIT BEFORE TAX		**2,144.18**	2,102.21
Tax expense			
Current tax	15	**563.24**	630.35
Deferred tax	15	**(58.74)**	(64.30)
TOTAL TAX EXPENSE		**504.50**	566.05
PROFIT FOR THE YEAR		**1,639.68**	1,536.16
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined employee benefit plans		**(111.92)**	0.07
Income-tax on items that will not be reclassified subsequently to profit or loss		**28.17**	(0.02)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		**(83.75)**	0.05
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,555.93**	1,536.21
Earnings per equity share :- Basic and diluted (₹)	16	**92.64**	86.79
Weighted average number of equity shares		**1,770,000**	1,770,000
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-24		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Rajesh Shetty
Partner
Membership number : 130778
Mumbai
Date: April 27, 2022

For and on behalf of the Board

Tej Paul Bhatla
Director
DIN:08491426

V Rajanna
Director
DIN:01280277

Date: April 27, 2022

Statement of Changes in Equity

A) EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 1, 2020	Change in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Change in equity share capital during the year*	Balance as at March 31, 2021
177.00	-	177.00	-	177.00

(₹ in lakhs)

Balance as at April 1, 2021	Change in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Change in equity share capital during the year*	Balance as at March 31, 2022
177.00	**-**	**-**	**-**	**177.00**

*Refer note 6(m).

B) OTHER EQUITY

(₹ in lakhs)

	General reserve	Capital redemption reserve	Retained earnings	Total equity
Balance as at April 1, 2021	**566.93**	**280.00**	**9,049.73**	**9,896.66**
Profit for the year	**-**	**-**	**1,639.68**	**1,639.68**
Other comprehensive income / (losses)	**-**	**-**	**(83.75)**	**(83.75)**
Total comprehensive income	**566.93**	**280.00**	**10,605.66**	**11,452.59**
Dividend	**-**	**-**	**(885.00)**	**(885.00)**
Balance as at March 31, 2022	**566.93**	**280.00**	**9,213.52**	**10,060.45**
Balance as at April 1, 2020	566.93	280.00	9,213.52	10,060.45
Transition impact of Ind AS 116 (net of tax)	-	-	-	-
Restated balance as at April 1, 2020	566.93	280.00	9,213.52	10,060.45
Profit for the year	-	-	1,536.16	1,536.16
Other comprehensive income / (losses)	-	-	0.05	0.05
Total comprehensive income	566.93	280.00	10,749.73	11,596.66
Dividend	-	-	(1,700.00)	(1,700.00)
Balance as at March 31, 2021	566.93	280.00	9,049.73	9,896.66

Loss of ₹ 83.75 lakhs and gain of ₹ 0.05 lakhs on remeasurement of defined employee benefits (net of tax) is recognised as a part of retained earnings for year ended March 31, 2022 and 2021 respectively.

Nature and purpose of reserves

a) General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

b) Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

c) Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-24

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Rajesh Shetty
Partner
Membership number : 130778
Mumbai
Date: April 27, 2022

For and on behalf of the Board

Tej Paul Bhatla
Director
DIN:08491426

V Rajanna
Director
DIN:01280277

Date: April 27, 2022

Statement of Cash Flow

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**1,639.68**	1,536.16
Adjustments to reconcile profit and loss to net cash provided by operating activities:		
Depreciation and amortisation expenses	**236.76**	214.32
Bad debts and advances written off, allowance on trade receivables and advances (net)	**250.14**	245.82
Tax expense	**504.50**	566.05
Net gain on disposal of property, plant and equipment	**-**	(2.75)
Net gain on disposal / fair valuation of investments	**(106.68)**	(84.67)
Interest income	**(195.68)**	(195.15)
Finance costs	**3.51**	5.48
Operating profit before working capital changes	**2,332.23**	2,285.26
Net change in:		
Inventories	**10.07**	8.59
Trade receivables		
Billed	**954.99**	194.10
Unbilled	**(32.85)**	(190.67)
Loans and Other financial assets	**164.88**	(273.94)
Other assets	**(4.90)**	84.37
Trade payables	**(771.80)**	32.26
Unearned and deferred revenue	**6.18**	(36.47)
Other financial liabilities	**2,597.02**	472.99
Other liabilities and provisions	**(81.70)**	(197.76)
Cash generated from operations	**5,174.12**	2,378.73
Taxes paid (net of refunds)	**(762.92)**	(786.30)
Net cash generated in operating activities	**4,411.20**	1,592.43
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	**(5,421.00)**	(3,170.00)
Purchase of investments	**(7,100.00)**	(4,800.00)
Payment for purchase of property, plant and equipment	**(157.97)**	(188.19)
Payment for purchase of intangible assets	**(53.94)**	(114.50)
Proceeds from bank deposits	**3,170.00**	1,000.00
Proceeds from inter-corporate deposits	**-**	2,176.50
Proceeds from disposal / redemption of investments	**6,213.39**	5,354.58
Proceeds from disposal of property, plant and equipment	**-**	4.90

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest received	**171.85**	227.03
Net cash (used) / generated from investing activities	**(3,177.67)**	490.32
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	**(20.48)**	(56.00)
Interest paid	**(3.51)**	(5.48)
Dividend paid	**(885.00)**	(1,700.00)
Net cash used in financing activities	**(908.99)**	(1,761.48)
Net change in cash and cash equivalents	**324.54**	321.27
Cash and cash equivalents at the beginning of the year	**1,122.86**	801.59
Cash and cash equivalents at the end of the year (refer Note 6(c))	**1,447.40**	1,122.86
NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-24		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Rajesh Shetty
Partner
Membership number : 130778
Mumbai
Date: April 27, 2022

For and on behalf of the Board

Tej Paul Bhatla
Director
DIN:08491426

V Rajanna
Director
DIN:01280277

Date: April 27, 2022

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Notes forming part of the Financial Statements

1) CORPORATE INFORMATION

APTOnline Limited ("formerly APOnline Limited") was incorporated on September 25, 2002 and is jointly promoted by Tata Consultancy Services Limited (TCS) and Andhra Pradesh Technology Services Limited (APTS), a corporation wholly owned by the Government of Andhra Pradesh (GOAP). The Company carries on the business of development, maintenance and management of the APONLINE portal for providing web-based services by Government to citizen, Government to business and other portfolio services of Government.

The state of Telangana was carved out of the State of Andhra Pradesh,pursuant to Andhra Pradesh Reorganisation Act,2014.Pre sently, the Company continues to serve both the states of Telangana and Andhra Pradesh.

The Company is unlisted public limited company incorporated and domiciled in India. The address of its registered office is Synergy Park (Non-SEZ Campus), Sarayu, SGA-Z4, Gachibowli, Hyderabad-500032. Tata Consultancy Services Limited ('TCS'), the holding company, owns 89% of the Company's equity share capital. Tata Sons Limited is the ultimate parent company.

The name of the Company has been changed from APOnline Limited to APTOnline Limited with effect from April 2, 2016.

The financial statements for the year ended March 31, 2022 are approved by the Board of Directors and authorised for issue on April 27, 2022.

2) STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

3) BASIS OF PREPARATION

These financial statements have been prepared in Indian rupee (₹) which is the functional currency of the Company.

These 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 and employee retirement obligation, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a noncash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the 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 prospectively in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

b) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

d) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

e) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

f) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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Impact of COVID-19 (pandemic)

The Company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of citizen services revenue and impact on leases. The Company has considered internal and certain external sources of information including reliable credit reports, economic forecasts and industry reports upto the date of approval of the financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5) RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There are no such standards or amendments to the existing standards which have been issued but not yet effective.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

6) FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

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(a) Investments

Investments consist of the following:

(₹ in lakhs)

	As at March 31, 2022		As at March 31, 2021	
Current				
Investment carried at fair value through profit and Loss	**Quantity**	**₹**	Quantity	₹
Mutual funds (quoted)				
Tata liquid fund direct plan - growth	**45,185.00**	**1,518.41**	-	-
UTI-Liquid Cash Plan-Institutional-Direct Plan-Growth	**29,387.00**	**1,025.05**	10,109.40	340.74
AXIS-Liquid Cash Plan-Institutional-Direct Plan-Growth	**25,871.00**	**611.62**	53,245.74	1,216.55
ABSL-Liquid Cash Plan-Institutional-Direct Plan-Growth	**-**	**-**	182,334.88	-
	100,443.00	**3,155.08**	245,690.02	2,161.79

Aggregate value of quoted investments is as follows:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Aggregate value of quoted investments	**3,155.08**	2,161.79
Aggregate market value of quoted investments	**3,155.08**	2,161.79

(b) Trade receivables - Billed

Trade receivables (unsecured) consists of the following:

Trade receivables - Billed - Non-current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Trade receivables - Billed	**1,060.93**	810.79
Less: Allowance for doubtful trade receivables - Billed	**(1,060.93)**	(810.79)
Considered good	**-**	-

Above balances of trade receivables include balances with related parties (Refer note 21).

Ageing for trade receivables - non-current outstanding as at March 31, 2022 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 Year	1 -2 Year	2 -3 Year	More than 3 Years	Total
Trade receivables - billed							
Undisputed trade receivables - considered good	**-**	**-**	**-**	**17.96**	**151.67**	**891.30**	**1,060.93**
Undisputed trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Undisputed trade receivables - credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed trade receivables - considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed trade receivables - credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**17.96**	**151.67**	**891.30**	**1,060.93**
Less: Allowance for doubtful trade receivables - Billed							(1,060.93)
							-
Trade receivables - unbilled							1.64
							1.64

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Ageing for trade receivables - non-current outstanding as at March 31, 2021 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 Year	1 -2 Year	2 -3 Year	More than 3 Years	Total
Trade receivables - billed							
Undisputed trade receivables - considered good	-	-	-	-	6.50	804.29	810.79
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	-	-	-	-	6.50	804.29	810.79
Less: Allowance for doubtful trade receivables - Billed							(810.79)
Trade receivables - unbilled							-
							-

Trade receivables - Billed - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Trade receivables - Billed	**6,204.90**	7,410.04
Less: Allowance for doubtful trade receivables - Billed	**-**	-
Considered Good	**6,204.90**	7,410.04
Trade receivables - Billed	**-**	-
Less: Allowance for doubtful trade receivables - Billed	**-**	-
Credit impaired	**-**	-
	6,204.90	7,410.04

Above balances of trade receivables include balances with related parties (Refer note 21).
Ageing for trade receivables - non-current outstanding as at March 31, 2022 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 Year	1 -2 Year	2 -3 Year	More than 3 Years	Total
Trade receivables - billed							
Undisputed trade receivables - considered good	**1,058.01**	**1,450.68**	**861.77**	**1,838.43**	**722.21**	**264.06**	**6,195.16**
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	**9.74**	-	-	**9.74**
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	1,058.01	**1,450.68**	**861.77**	**1,848.17**	**722.21**	**264.06**	**6,204.90**
Less: Allowance for doubtful trade receivables - Billed							-
							6,204.90
Trade receivables - unbilled							366.94
							6,571.84

Ageing for trade receivables - current outstanding as at March 31, 2021 is as follows:

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(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 Year	1 -2 Year	2 -3 Year	More than 3 Years	Total
Trade receivables - billed							
Undisputed trade receivables - considered good	**1,070.13**	**3,434.29**	**904.14**	**1,404.07**	**244.70**	**334.54**	**7,391.87**
Undisputed trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Undisputed trade receivables - credit impaired	**-**	**5.30**	**9.58**	**3.29**	**-**	**-**	**18.17**
Disputed trade receivables - considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed trade receivables - credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	1,070.13	**3,439.59**	**913.72**	**1,407.36**	**244.70**	**334.54**	**7,410.04**
Less: Allowance for doubtful trade receivables - Billed							-
							7,410.04
Trade receivables - unbilled							335.74
							7,745.78

(c) Cash and cash equivalents

Cash and cash equivalents consists of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- in current accounts	**1,447.40**	1,122.86
	1,447.40	1,122.86

(d) Other balances with banks

Other balances with banks consists of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Short-term bank deposits	-	3,170.00
	-	3,170.00

(e) Loans

Loans (unsecured) consists of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Loans - considered good		
Loans and advances to employees	**16.55**	9.06
	16.55	9.06

(f) Other financial assets

Other financial assets (unsecured) consists of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
a) Security deposits	**32.59**	50.32
b) Other advances	**231.44**	386.07
c) Accrued interest	**95.63**	71.81
d) Bank deposits (more than 3 months from the balance sheet date)	**5,421.00**	-
	5,780.66	508.20

(g) Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Developmnet Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2022 and March 31, 2021 is as under:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Dues remaining unpaid to any supplier		
Principal	-	11.23
Interest on the above	-	-
Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-

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	As at March 31, 2022	As at March 31, 2021
Amount of interest accrued and remaining unpaid	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-

(h) Trade Payables

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 Year	1 -2 Year	2 -3 Year	More than 3 Years	Total
Trade Payables						
MSME*	-	-	-	-	-	-
Others	**346.52**	**696.30**	-	-	**150.23**	**1,193.05**
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	346.52	**696.30**	**0.00**	**0.00**	**150.23**	**1,193.05**
Accrued expenses						**945.17**
						2,138.22

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 Year	1 -2 Year	2 -3 Year	More than 3 Years	Total
Trade Payables						
MSME*	11.23	-	-	-	-	11.23
Others	265.52	1,498.57	66.32	10.48	170.66	2,011.55
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	276.75	1,498.57	66.32	10.48	170.66	2,022.78
Accrued expenses						887.24
						2,910.02

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Above balances of trade payables include balances with related parties (Refer note 21).

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(i) Other financial liabilities

Other financial liabilities consists of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(a) Amount collected on behalf of *		
- Government departments	**4,150.86**	1,453.62
- Non-government departments	**15.19**	48.40
(b) Security deposits received	**572.44**	653.92
(c) Employee payables	**111.10**	96.63
	4,849.59	2,252.57

* Amount collected on behalf of government and non-government includes collection of utility bills, ration card charges, government taxes, etc.

(j) Financial Instruments by category

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	**-**	**1,447.40**	**1,447.40**
Bank deposits	**-**	**5,421.00**	**5,421.00**
Investments	**3,155.08**	**-**	**3,155.08**
Trade receivables			
Billed	**-**	**6,204.90**	**6,204.90**
Unbilled	**-**	**368.58**	**368.58**
Loans	**-**	**16.55**	**16.55**
Other financial assets	**-**	**359.66**	**359.66**
Total	**3,155.08**	**13,818.09**	**16,973.17**
Financial liabilities:			
Trade payables	**-**	**2,138.22**	**2,138.22**
Lease liabilities	**-**	**-**	**-**
Other financial liabilities	**-**	**4,849.59**	**4,849.59**
Total	**-**	**6,987.81**	**6,987.81**

The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	1,122.86	1,122.86
Bank deposits	-	3,170.00	3,170.00
Investments	2,161.79	-	2,161.79
Trade receivables			
Billed	-	7,410.04	7,410.04
Unbilled	-	335.74	335.74
Loans	-	9.06	9.06
Other financial assets	-	508.20	508.20
Total	2,161.79	12,555.90	14,717.69
Financial liabilities:			
Trade payables	-	2,910.02	2,910.02
Lease liabilities	-	20.48	20.48
Other financial liabilities	-	2,252.57	2,252.57
Total	-	5,183.07	5,183.07

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables, loans , other financial assets, trade payables and other financial liabilities as at March 31, 2022 and March 31, 2021 approximate the fair value due to their nature.

Carrying amounts of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required.

(k) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The 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):

(₹ in lakhs)

	Level 1	Level 2	Level 3	Total
As of March 31, 2022				
Financial assets				
Mutual fund units	**3,155.08**	**-**	**-**	**3,155.08**
Total	**3,155.08**	**-**	**-**	**3,155.08**

(₹ in lakhs)

	Level 1	Level 2	Level 3	Total
As of March 31, 2021				
Financial assets				
Mutual fund units	2,161.79	-	-	2,161.79
Total	2,161.79	-	-	2,161.79

(l) Financial risk management

The Company is exposed primarily to credit, liquidity and price risks, which may adversly impackt the fair value of its financial instruments. The Comapny has risk management policy which covers risks associated with the financial assets and liabilities. The focus of the risk management committee is to assess the unpreditability of the financial environment and to mitigate potential adverse effects on the financial performance of the Comapany.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

- **Interest rate risk**

The Company investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments and other financial assets. None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 16,973.18 lakhs and ₹ 14,717.69 lakhs as on March 31, 2022 and 2021, respectively, being the total of the carrying amount of investment in mutual funds, balances with banks, trade receivables, unbilled receivables , loans and other financial assets.

The Company exposure to customers is diversified. Apart from The principal Secretary-APPSC ₹ 1,918.98 lakhs and The MD & CEO-ASSCCL ₹ 689.40 lakhs, (Previous Year - The principal Secretary-APPSC ₹ 2094.49 lakhs and The Director EDS-AP ₹ 764.68 lakhs), no other customer contributes to more than 10% of outstanding accounts receivable and unbilled receivables as of March 31, 2022 and 2021.

- **Geographic concentration of credit risk**

The Company has a geographic concentration of trade receivables, net of allowances and unbilled receivables in India.

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2022 and 2021 was ₹ 250.14 lakhs and ₹ 245.82 lakhs, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**810.79**	564.97
Change during the year	**250.14**	245.82
Balance at the end of the year	**1060.93**	810.79

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall The tables below provide details regarding the contractual maturities of significant financial liabilities as of:

(₹ in lakhs)

	Due in 1st Year	Due in 2nd Year	Due in 3rd Year	Due in 4th Year	Due in 5th Year	Total
March 31, 2022						
Lease liabilities	**-**	**-**	**-**	**-**	**-**	**-**
Trade payables	**2,138.22**	**-**	**-**	**-**	**-**	**2,138.22**
Other financial liabilities	**4,849.59**	**-**	**-**	**-**	**-**	**4,849.59**
Total	**6,987.81**	**-**	**-**	**-**	**-**	**6,987.81**
March 31, 2021						
Lease liabilities	20.90	-	-	-	-	20.90
Trade payables	2,910.02	-	-	-	-	2,910.02
Other financial liabilities	2,252.57	-	-	-	-	2,252.57
Total	5,183.49	-	-	-	-	5,183.49

Other price risks

The fair value of investment in mutual funds is ₹ 3155.08 lakhs and ₹ 2,161.79 lakhs as on March 31, 2022 and March 31, 2021 respectively. The Company is exposed to price risks arising from investment in mutual funds. The investments are made in acceptable funds, while optimizing the returns.

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(m) Equity instruments

Share capital

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

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Authorised		
(a) Equity shares 3,000,000 of ₹ 10 each with voting rights (March 31, 2021: 3,000,000 equity shares of ₹ 10 each)	**300.00**	300.00
(b) Redeemable preference shares 3,000,000 of ₹ 10 each (March 31, 2021: 3,000,000 preference shares of ₹ 10 each)	**300.00**	300.00
	600.00	600.00
Issued, Subscribed and Fully paid-up		
1,770,000 equity shares of ₹ 10 each (March 31, 2021: 1,770,000 equity shares of ₹ 10 each)	**177.00**	177.00
	177.00	177.00

i. Reconciliation of the number of shares:

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	**Amount in ₹ lakhs**	Number of shares	Amount in ₹ lakhs
Equity shares				
Opening balance	**1,770,000**	**177.00**	1,770,000	177.00
Issued during the year	**-**	**-**	-	-
Closing balance	**1,770,000**	**177.00**	1,770,000	177.00

ii. Rights, preferences and restrictions attached to the equity shares

The Company has one class of equity shares having a face value of ₹ 10 each. Each holder of equity share is entitled to one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding.

iii. Details of shares held by the holding company

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	**Amount in ₹ lakhs**	**Number of Shares**	**Amount in ₹ lakhs**
Equity shares				
Tata Consultancy Services Limited, holding company	**1,575,300**	**157.53**	1,575,300	157.53
	1,575,300	**157.53**	1,575,300	157.53

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iv. Details of shares held by share holders holding more than 5% of a class of shares

	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares				
Tata Consultancy Services Limited	**1,575,300**	**89%**	1,575,300	89%
Andhra Pradesh Technology Services Limited	**194,700**	**11%**	194,700	11%
	1,770,000	**100%**	1,770,000	100%

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.

V. Disclosure of Shareholding Promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Promoter name	Shares held by promoters As at March 31, 2022		As at March 31, 2021		% Change during the year
	No.of shares*	**% of total shares**	No.of shares*	% of total shares	
Tata Consultancy Services Limited (holding company)	**1,575,300**	**89%**	1,575,300	89%	-
Andhra Pradesh Technology Services Limited (significant share holder)	**194,700**	**11%**	194,700	11%	-
Total	**1,770,000**	**100%**	1,770,000	100%	-

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Promoter name	Shares held by promoters As at March 31, 2021		As at March 31, 2020		% Change during the year
	No.of shares*	**% of total shares**	No.of shares*	% of total shares	
Tata Consultancy Services Limited (holding company)	**1,575,300**	**89%**	1,575,300	89%	-
Andhra Pradesh Technology Services Limited (significant share holder)	**194,700**	**11%**	194,700	11%	-
Total	**1,770,000**	**100%**	1,770,000	100%	-

7) LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 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 recognized as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

(₹ in lakhs)

	Additions for the year ended March 31, 2022	Net carrying amount as at March 31, 2022
Lease hold buildings	-	-
Total	-	-

(₹ in lakhs)

	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Lease hold buildings	-	15.67
Total	-	15.67

Depreciation on right-of-use assets is as follow

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation		
Lease hold buildings	**15.67**	47.50
	15.67	47.50

Interest on lease liabilities is ₹ 0.41 lakhs and ₹ 4.21 lakhs for the years ended March 31, 2022 and 2021, respectively.

The total cash outflow for leases is ₹ 112.11 lakhs and ₹ 155.17 lakhs for the years ended March 31, 2022 and 2021, respectively, including cash outflow for short term and low value leases.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

8) NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

(a) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Computer equipment	4 years
Vehicles	4 years
Office equipment	5 years
Furniture and fixtures	5 years

Property, plant and equipment assets with finite life are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Property, plant and equipment consists of the following:

(₹ in lakhs)

Description	Computer equipment	Vehicles	Office equipment	Furniture and fixtures	Total
Cost as at April 1, 2021	**2,360.06**	**26.88**	**0.76**	**2.61**	**2,390.31**
Additions	**128.40**	**29.57**	**-**	**-**	**157.97**
Disposals	**-**	**-**	**-**	**-**	**-**
Gross block as at March 31, 2022	**2,488.46**	**56.45**	**0.76**	**2.61**	**2,548.28**
Accumulated depreciation as at April 1, 2021	**(2,054.39)**	**(17.59)**	**(0.72)**	**(1.03)**	**(2,073.73)**
Depreciation for the year	**(132.69)**	**(8.41)**	**(0.01)**	**(0.49)**	**(141.60)**
On disposals	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation as at March 31, 2022	**(2,187.08)**	**(26.00)**	**(0.73)**	**(1.52)**	**(2,215.33)**
Net carrying amount as at March 31, 2022	**301.38**	**30.45**	**0.03**	**1.09**	**332.95**

(₹ in lakhs)

Description	Computer equipment	Vehicles	Office equipment	Furniture and fixtures	Total
Cost as at April 1, 2020	4,556.71	35.63	0.76	2.61	4,595.71
Additions	188.19	-	-	-	188.19
Disposals	2,384.84	8.75	-	-	2,393.59
Gross block as at March 31, 2021	2,360.06	26.88	0.76	2.61	2,390.31
Accumulated depreciation as at April 1, 2020	(4,325.01)	(15.28)	(0.71)	(0.54)	(4,341.54)
Depreciation for the year	(114.22)	(8.91)	(0.01)	(0.49)	(123.63)
On disposals	2,384.84	6.60	-	-	2,391.44
Accumulated depreciation as at March 31, 2021	(2,054.39)	(17.59)	(0.72)	(1.03)	(2,073.73)
Net carrying amount as at March 31, 2021	305.67	9.29	0.04	1.58	316.58

(b) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment loss if any.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Asset	Useful life
Computer software	2 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

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Intangible assets with finite life are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Intangible assets consists of the following:

(₹ in lakhs)

Description	Computer software	Total
Cost as at April 1, 2021	**332.67**	**332.67**
Additions	**53.94**	**53.94**
Gross block as at March 31, 2022	**386.61**	**386.61**
Accumulated amortisation as at April 1, 2021	**(254.08)**	**(254.08)**
Amortisation for the year	**(79.49)**	**(79.49)**
Accumulated amortisation as at March 31, 2022	**(333.57)**	**(333.57)**
Net carrying amount as at March 31, 2022	**53.04**	**53.04**

(₹ in lakhs)

Description	Computer software	Total
Cost as at April 1, 2020	218.17	218.17
Additions	114.50	114.50
Gross block as at March 31, 2021	332.67	332.67
Accumulated amortisation as at April 1, 2020	(210.89)	(210.89)
Amortisation for the year	(43.19)	(43.19)
Accumulated amortisation as at March 31, 2021	(254.08)	(254.08)
Net carrying amount as at March 31, 2021	78.59	78.59

The estimated amortisation for the years subsequent to March 31, 2022 as follows:

(₹ in lakhs)

Year ending March 31,	Amortisation expense
2023	47.00
2024	6.04
	53.04

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(c) Other assets

Other assets (unsecured) consists of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(A) Other assets - current		
Considered good		
a) Prepaid expenses	**92.91**	90.16
b) Advance to suppliers	**0.56**	73.93
c) Indirect taxes recoverable	**166.56**	91.04
	260.03	255.13

(d) Inventories

Inventories consist of finished goods. Inventories are valued at the lower of cost on First In Fist Out (FIFO) basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. The Cost of finished goods produced or purchased by the Company includes direct material and labour cost.

Inventories consists of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Stock in trade	**26.15**	36.22
	26.15	36.22

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

(e) Other liabilities

Other liabilities consists of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Other liabilities - current		
Advance received	**335.86**	287.64
Indirect tax payable and other statutory liabilities	**294.67**	253.62
Amount received from franchisees	**256.76**	370.14
Others	**0.01**	0.01
	887.30	911.41

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9) OTHER EQUITY

Other equity consist of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(a) Capital redemption reserve		
Opening balance	**280.00**	280.00
Movement	**-**	-
Closing balance	**280.00**	280.00
(b) General reserve		
Opening balance	**566.93**	566.93
Transfer from retained earnings	**-**	-
Closing balance	**566.93**	566.93
(c) Retained earnings		
(i) Opening balance	**9,049.73**	9,213.52
(ii) Profit for the year	**1,639.68**	1,536.16
(iii) Other comprehensive income arising from remeasurement of defined employee benefit plans, net of income-tax	**(83.75)**	0.05
	10,605.66	10,749.73
Less: Appropriations		
(i) Dividend on equity shares	**(885.00)**	(1,700.00)
(ii) Tax on dividend	**-**	-
	9,720.66	9,049.73
	10,567.59	9,896.66

10) REVENUE RECOGNITION

The Company earns revenue primarily from providing IT enabled services in the State of Andhra Pradesh and Telangana.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- Revenue from the sale of distinct third party software and hardware is recognised at the point in time when control is transferred to the customer, net of applicable taxes and duties.
- Transaction revenue from citizen services platforms are recognized as the services are performed and amount earned. Amounts are considered to be earned once evidence of an agreement or contractual arrangement has been obtained, services are delivered and collectability is reasonably assured.
- Unearned and deferred revenue ("contract liability") consists of advances received from customers. The Company disaggregates revenue from contracts with customers by nature of services.

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Revenue disaggregation by nature is as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
A) Information technology and consultancy services		
(a) Transaction revenue	**2,885.83**	3,266.99
(b) Wage disbursement	**727.87**	818.49
(c) Software development services and maintenance	**2,879.46**	3,076.77
(d) Man power supply	**630.48**	843.37
(e) Data centre establishment and maintenance	**139.38**	169.24
(f) Franchisee fees	**32.35**	42.01
(g) ION services	**5,584.27**	6,041.89
(h) Aadhaar authentication	**299.13**	377.81
(i) Others	**45.51**	58.86
Total	**13,224.28**	14,695.43
B) Sale of products		
(a) Hardware	**110.24**	65.28
(b) Software	**6.03**	66.59
(c) Stationery	**168.90**	234.13
Total	**285.17**	366.00
Total	**13,509.45**	15,061.43

All revenue is derived in the State of Andhra Pradesh and Telangana.

The revenue recognised in the statement of profit and loss equals to the contracted price.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

The Company does not have contract assets.

Changes in Unearned and deferred revenue are as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**17.61**	54.08
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year.	**(17.61)**	(54.08)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year.	**23.79**	17.61
Balance at the end of the year	**23.79**	17.61

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

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11) OTHER INCOME

Other Income comprises of interest income for all financial instruments measured at amortised cost. Interest income is recorded on accrual basis. Interest income is included in Other income in the Statement of Profit and Loss.

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

Other income consists of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Net gain on disposal / fair valuation of investments carried at fair value through profit of loss	**106.67**	84.67
(b) Interest income	**195.68**	195.15
(c) Net gain on disposal of property, plant and equipment	**-**	2.75
(d) Miscellaneous income	**82.13**	19.91
	384.48	302.48

12) EMPLOYEE BENEFITS

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the date of each balance sheet date. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

The Company provides Gratuity to it's employees is treated as defined contribution plan.

Defined contribution plans

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

The Company provides Provident Fund to it's employees is treated as defined contribution plan.

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 recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has 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 not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Other short-term employee benefits

Other short-term employee benefits, including performance incentives expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

Employee benefit expenses consists of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
a) Salaries, incentives and allowances	**1,999.38**	2,026.37
b) Contributions to provident fund	**121.95**	81.29
c) Contributions to ESIC	**7.80**	7.91
d) Staff welfare expenses	**68.61**	84.83
	2,197.74	2,200.40

Employee benefit obligations consists of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(A) Employee benefit obligation - Non-current		
Gratuity liability	**27.54**	17.39
Compensated absences	**80.70**	49.65
	108.24	67.04
(B) Employee benefit obligation - Current		
Compensated absences	**29.19**	16.05
	29.19	16.05

Gratuity

In accordance with Indian law, the Company operates a scheme of gratuity which is defined benefit plan. The gratuity plan provide for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 day's basic salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Company manages the plan through a trust. Trustees administer contributions made to the trust through LIC group gratuity fund.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements.

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

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(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Change in defined benefit obligations		
Benefit obligations, beginning of the year	**127.83**	150.26
Service cost	**15.88**	21.05
Interest cost	**7.03**	9.77
Benefit paid	**(34.38)**	(50.93)
Actuarial loss/(gain) recognized in OCI	**119.42**	(2.32)
Benefit obligations, end of the year	**235.78**	127.83

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Change in plan assets		
Fair value of plan assets, beginning of the year	**110.44**	125.75
Interest Income	**6.07**	8.17
Employer contribution	**118.61**	29.70
Benefits paid	**(34.38)**	(50.93)
Remeasurement-return on plan assets excluding amount included in interest income	**7.50**	(2.25)
Fair value of plan assets, end of the year	**208.24**	110.44

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Funded status:		
Deficit of plan assets over obligations	**(27.54)**	(17.39)

	As at March 31, 2022	As at March 31, 2021
Category of assets:		
Insurance managed funds	**208.24**	110.44

Net periodic gratuity cost included in employee cost consists of the following components:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Service cost	**15.88**	21.06
Net interest on net defined benefit (asset) / liability	**0.96**	1.59
Net periodic gratuity cost	**16.84**	22.65
Actual return on plan assets	**111.92**	(0.07)

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Remeasurement of the net defined benefit liability/(asset):

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Actuarial (gains) and losses arising from changes in demographic assumptions.	**(1.85)**	2.52
Actuarial (gains) and losses arising from changes in financial assumptions.	**6.16**	(0.02)
Actuarial (gains) and losses arising from changes in experience adjustments.	**115.11**	(4.82)
Remeasurement of the net defined benefit liability	**119.42**	(2.32)
Remeasurement - return on plan assets excluding amount included in interest income	**(7.50)**	2.25
Total	**111.92**	(0.07)

The assumptions used in according for the defined benefit plan are set out below:

	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	**5.75%**	5.50%
Rate of increase in compensation	**6.00%**	5.00%
Levels of covered employees		
Rate of return on plan assets		
Weighted average duration of		
defined benefit obligations		
Attrition rate		
i) If Services for 0 years to 5 years	**37.51%**	30.13%
ii) If Services for 6 years and above	**20.39%**	18.19%
Mortality Rate	**Indian Assured Lives Mortality (2012-14)**	Indian Assured Lives Mortality (2006-08)

The expected benefits are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as at March 31, 2022. The Company is expected to contribute ₹ 52.28 lakhs to the defined benefit plan obligation for the year ending March 31, 2023.

Remeasurement (Gain)/loss of defined employee benefit plan in other comprehensive income for the fiscals 2022 and 2021 are ₹ (0.07) lakhs respectively.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Increase of 0.50%	**(4.12)**	(2.52)
Decrease of 0.50%	**4.31**	2.65

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If the expected salary growth increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Increase of 0.50%	**4.28**	2.65
Decrease of 0.50%	**(4.13)**	(2.55)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance sheet.

Each year an Asset - Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

The defined benefit obligations shall mature after year ended March 31, 2022 as follows:

Year ending March 31,2022	**Defined benefit obligations**
2023	48.19
2024	39.73
2025	34.44
2026	28.92
2027	25.16
2028-2033	75.80
2034 and above	47.84
	300.08

Provident fund

In accordance with Indian law, all eligible employees of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to Regional Provident Fund Commissioner. The Company recognised ₹ 121.95 lakhs and ₹ 81.29 lakhs towards contribution provident fund and family pension fund in fiscals 2022 and 2021 respectively.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

13) COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised in direct costs, employee benefit expenses, purchases of stock-in-trade, depreciation and amortisation and other expenses. Direct costs include service charges and manpower supply. Employee costs include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other expenses majorly include lease rentals, facility charges, travelling and conveyance, legal and professional fees, internet connectivity charges, allowances for doubtful trade receivables and miscellaneous expenses. Miscellaneous expenses is an aggregation of costs which are individually not material such as courier charges, Banker commision for Bank Guarantee's, recruitment and training, entertainment, etc.

(a) Direct costs

Direct costs consists of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Service charges	**6,877.97**	7,857.59
(b) Man power charges	**1,406.67**	1,916.58
	8,284.64	9,774.17

(b) Purchase of stock-in-trade

Purchase of stock-in-trade consists of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Hardware Purchase	**74.44**	11.65
(b) Stationery Purchase	**138.85**	203.41
	213.29	215.06

(c) Changes in inventories of stock-in-trade

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of the year:		
Stock-in-trade		
(a) Hardware, stationery, etc.	**26.15**	36.22
	26.15	36.22
Inventories at the beginning of the year:		
Stock-in-trade		
(a) Hardware, stationery, etc.	**36.22**	44.81
	36.22	44.81
Net increase / (decrease)	**10.07**	8.59

(d) Other expenses

Other expenses consists of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Consumables	**3.57**	0.96
(b) Facility charges	**136.58**	141.78
(c) Repairs and maintenance - Others	**35.51**	32.66
(d) Rates and taxes	**0.77**	0.72
(e) Internet connectivity charges	**82.81**	111.23
(f) Travelling and conveyance	**16.63**	14.39
(g) Printing and stationery	**24.39**	24.21
(h) Business promotion expenses	**17.71**	10.46
(i) Legal and professional fees	**48.26**	45.70
(j) Corporate Social Responsibility (refer Note below)	**60.15**	69.42
(k) Payments to auditors (refer Note 17)	**7.39**	6.33
(l) Software maintenance charges	**41.16**	76.92
(m) Allowance on trade receivables and advances	**250.14**	245.82
(n) Miscellaneous expenses	**78.67**	63.08
	803.74	843.68

(e) Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended March 31, 2022 and 2021 is ₹ 60.15 lakhs and ₹ 69.40 lakhs, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on CSR. The Company incurred an amount of ₹ 60.15 lakhs and ₹ 69.42 lakhs during the year ended March 31, 2022 and 2021, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
1. Amount required to be spent by the company during the year Interest expense on:	**60.14**	69.40
2. Amount of expenditure incurred on:		
(i) Construction / acquisition of any asset	**-**	-
(ii) On purpose other than (i) and above	**60.15**	69.40
3. Shortfall at the end of the year,	**-**	-
4. Total of previous years shortfall	**-**	-
5. Reason for shortfall,	**NA**	NA

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	Year ended March 31, 2022	Year ended March 31, 2021
6. Nature of CSR activities,	**Assist :** Providing excellence-driven to people in rural areas " Promoting comprehensive community development through community action and participation **Mohan Fondation :** Multi Organ Harvesting Aid Network. Deceased organ donation and transplantation.	
7. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard		

14) FINANCE COSTS

Finance costs consists of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
(i) Interest on lease liabilities	**0.41**	4.21
(ii) Interest on tax matters	**2.60**	1.17
(iii) Other interest costs	**0.50**	0.10
	3.51	5.48

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

Current income taxes

Current tax is measured based on taxable profit for the year and is computed in accordance with the Income Tax Act, 1961 using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income-tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income-tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets and liabilities are reviewed at each reporting date and are reduced or increasedas the case may be.

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

The Income - tax expense consists of the following

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax:		
Current tax expenses for current year	**563.24**	630.35
Deferred tax:		
Deferred tax (benefit) / expense for current year	**(58.74)**	(48.33)
Deferred tax (benefit) / expense pertaining to Prior Years	**-**	(15.97)
Total Income tax expense recognised in current year	**504.50**	566.05

Income - tax expense recognised in Other Comprehensive Income (OCI)

(₹ in lakhs)

Deferred tax on remeasurement of defined employee benefit plans	**28.17**	(0.02)
Total income - tax expense recognised	**28.17**	(0.02)

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before taxes	**2,144.18**	2,102.21
Indian Statutory income - tax rate	**25.168%**	25.168%
Expected Income tax expense	**539.65**	529.08
Tax effect of adjustments to reconcile expected income - tax expense to reported income - tax expense:		
Tax pertaining to prior years	**(49.77)**	15.97
CSR expenses	**15.14**	17.47
Difference due to Change in Tax rate	**-**	-
Others	**(0.52)**	3.53
Total Income tax expenses	**504.50**	566.05

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Significant components of net deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

(₹ in lakhs)

	Opening balance	Recognised /reversed through profit or loss	Recognised /Reversed through other comprehensive income	Recognised / Reversed through retained earnings	Closing balance
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment	**3.34**	**9.29**	**-**	**-**	**12.63**
Provision for employee benefits	**45.23**	**(10.85)**	**28.17**	**-**	**62.55**
Provision for doubtful debts	**204.06**	**62.96**	**-**	**-**	**267.02**
Leases	**1.21**	**(1.21)**	**-**	**-**	**-**
Others	**(7.65)**	**(1.45)**	**-**	**-**	**(9.10)**
Total deferred tax assets / (liabilities)	**246.19**	**58.74**	**28.17**	**-**	**333.10**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(₹ in lakhs)

	Opening balance	Recognised /reversed through profit or loss	Recognised /Reversed through other comprehensive income	Recognised / Reversed through retained earnings	Closing balance
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment	9.42	(6.08)	-	-	3.34
Provision for employee benefits	48.78	(3.54)	(0.02)	-	45.22
Provision for doubtful debts	142.20	61.87	-	-	204.07
Leases	3.52	(2.31)	-	-	1.21
Others	(22.01)	14.36	-	-	(7.65)
Total deferred tax assets / (liabilities)	181.91	64.30	(0.02)	-	246.19

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

	Assets	Liabilities	Net
As at 31 March, 2022 **Deferred tax assets / (liabilities) in relation to:**			
Property, plant and equipment	**12.63**	**-**	**12.63**
Provision for employee benefits	**62.55**	**-**	**62.55**
Provision for doubtful debts	**267.02**	**-**	**267.02**
Others	**-**	**9.10**	**(9.10)**
Total deferred tax assets / (liabilities)	**342.20**	**9.10**	**333.10**

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Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

	Assets	Liabilities	Net
As at 31 March, 2021			
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment	3.34	-	3.34
Provision for employee benefits	45.22	-	45.22
Provision for doubtful debts	204.07	-	204.07
Leases	1.21	-	1.21
Others	-	7.65	(7.65)
Total deferred tax assets / (liabilities)	253.84	7.65	246.19

16) EARNINGS PER SHARE

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

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the year	**1,639.68**	1,536.16
Amount available for equity shareholders	**1,639.68**	1,536.16
Weighted average number equity shares	**1 ,770,000**	1,770,000
Total weighted average number of equity shares	**1,770,000**	1,770,000
Basic and diluted earning per share (₹)	**92.64**	86.79
Face value per equity share (₹)	**10.00**	10.00

17) AUDITORS REMUNERATION

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Services as statutory auditors (including quarterly audits)	**5.00**	5.00
Tax audit	**2.00**	1.00
Re-imbursement of out-of-pocket expenses	**0.39**	0.33
	7.39	6.33

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 for assessing the Company's performance and allocating the resources based on an analysis of various performance indicators by business segments and geographic segments.

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The Company is mainly engaged in the business of providing IT enabled services to various departments of Government of Andhra Pradesh and Government of Telangana which constitute a single business segment. These activities are conducted only in one geographic segment viz India. Therefore, the disclosure requirements of the Ind AS 108 "Segment Reporting" are not applicable.

For the year ended March 31 ,2022 there are four customers that contribute more than 10% each of total revenue.

19) COMMITMENTS AND CONTINGENCIES

The Company uses significant judgements to disclose 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 nonoccurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Contingent liability :		
Sales tax demands		
(i) Claims against the Company not acknowledged as debt - disputed sales tax liability	**18.76**	18.76
Capital commitment (net of advances) :		
(i) Estimated amount of contracts remaining to be executed on capital account	**-**	23.41

20) 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 has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and 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.

21) RELATED PARTY TRANSACTIONS

The Company's principal related parties consist of its holding company, Tata Consultancy Services and its fellow-subsidiaries, and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

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Key Management Personnel (KMP)

Mr. Satish Kumar Elaprolu

(₹ in lakhs)

	Year ended March 31, 2022					
	Tata Consultancy Services	Tata AIA Life Insurance Co Ltd	Tata Tele Services Ltd	Tata Communications	Andhra Pradesh Technology Services Limited	Total
Revenue from sale of services and licenses	**15.26**	**0.01**	**0.23**	**-**	**-**	**15.50**
Purchases of goods and services (including reimbursement)*	**4,343.17**	**-**	**1.20**	**-**	**-**	**4,344.37**
Dividend paid	**787.65**	**-**	**-**	**-**	**97.35**	**885.00**
Rent expense	**62.12**	**-**	**-**	**-**	**-**	**62.12**

*The key manangement personnel of the Company are on deputation and have drawn remuneration of ₹ 59.04 Lakhs from Tata Consultancy Services Limited during the year ended March 31, 2022. Service charges are payable by the Company to Tata Consultancy Services Limited.

(₹ in lakhs)

	Year ended March 31, 2021					
	Tata Consultancy Services	Tata AIA Life Insurance Co Ltd	Tata Tele Services Ltd	Tata Communications	Andhra Pradesh Technology Services Limited	Total
Revenue from sale of services and licenses	241.90	0.01	0.25	-	-	242.16
Purchases of goods and services (including reimbursement)*	5,137.74	-	1.20	0.20	-	5,139.14
Dividend paid	1,513.00	-	-	-	187.00	1,700.00
Rent expense	94.96	-	-	-	-	94.96

*The key manangement personnel of the Company are on deputation and have drawn remuneration of ₹ 57.12 Lakhs from Tata Consultancy Services Limited during the year ended March 31, 2021. Service charges are payable by the Company to Tata Consultancy Services Limited.

(₹ in lakhs)

	Year ended March 31, 2022				
	Tata Consultancy Services	Tata AIA Life Insurance Co Ltd	Tata Tele Services Ltd	Tata Communications	Total
Trade receivables and unbilled receivables	**19.03**	**0.04**	**-**	**-**	**19.07**
Total	**19.03**	**0.04**	**-**	**-**	**19.07**

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(₹ in lakhs)

	Year ended March 31, 2021				
	Tata Consultancy Services	Tata AIA Life Insurance Co Ltd	Tata Tele Services Ltd	Tata Communications	Total
Trade receivables and unbilled receivables	44.73	0.05	-	-	44.78
Total	44.73	0.05	-	-	44.78

(₹ in lakhs)

	Year ended March 31, 2022				
	Tata Consultancy Services	Tata AIA Life Insurance Co Ltd	Tata Tele Services Ltd	Tata Communications	Total
Trade payables	**1,024.10**	**0.05**	**0.07**	**-**	**1,024.22**

(₹ in lakhs)

	Year ended March 31, 2021				
	Tata Consultancy Services	Tata AIA Life Insurance Co Ltd	Tata Tele Services Ltd	Tata Communications	Total
Trade payables	1,761.01	0.07	0.07	0.20	1,761.35

22) ADDITIONAL REGULATORY INFORMATION

- **Ratios**

Ratio	Numerator	Denominator	Current year	Previous year	% variance	Reason for variance
Current ratio (in times)	**Total current assets**	**Total current liabilities**	**2.12**	**2.38**	**(10.92)%**	
Debt-Equity ratio (in times)	**Debt consists of borrowings and lease liabilities**	**Total equity**	**-**	**0.00***	**-**	
Debt service coverage ratio (in times)	**Earning for Debt service = Net Profit after taxes + Non-cash operating expenses + interest + Other non - cash adjustments**	**Debt service = Interest and lease payments + Principal repayments**	**87.49**	**28.55**	**206.44%**	**Lease contract renewed during the year does not meet the lease criteria under Ind AS 116 resulting into decrease.**
Return On equity ratio (in %)	**Profit for the year less Preference dividend (if any)**	**Average total equity**	**15.75%**	**15.13%**	**4.10%**	

Ratio	Numerator	Denominator	Current year	Previous year	% variance	Reason for variance
Inventory turnover ratio (in times)	Raw materials, subassemblies, components, finished goods and work in progress consumed	Average inventories	7.16	5.52	29.71%	Inventory related to meeseva related project is decreased on account of lesser transactions in the current year.
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	1.89	1.91	(1.05)%	
Trade payables turnover ratio (in times)	Cost of equipment and software licenses + Other expenses	Average trade payables	3.69	3.75	(1.60)%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (ie. Total current assets less Total current liabilities	1.52	1.68	(9.52)%	
Net profit ratio (in %)	Profit for the year	Revenue from operations	12.14%	10.20%	19.02%	
Return on capital employed (in %)	Profit before tax and finance cost	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	19.99%	20.88%	(4.26)%	
Return on investments (in %)	Income generated from invested funds	Average invested funds in treasury investments	4.35%	6.24%	(30.29)%	Income generated from invested funds has decreased as these are generated from fixed deposits placed in mid of the year.

*Restricted to two decimals

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23) No funds have been advanced or loaned or invested (either from brrowed funds or share premium or any other sources or kind of funds) by the Compaby to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall led or invest in party identified by or on behalf of the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf ofthe Company ("Ultimate Beneficiaries") or provide aby guarantee, security or the like ob behalf of the Ultimate Beneficiaries.

24) DIVIDENDS

Dividends paid during the year ended March 31, 2022 include an amount of ₹ 50 per equity share for the year ended March 31, 2021. Dividends paid during the year ended March 31, 2021 include an amount of ₹ 96 per equity share towards dividend for the year ended March 31, 2020.

Dividends declared by the Company are based on the profit available for distribution. On April 27, 2022, the Board of Directors of the Company have proposed a final dividend of ₹ 55 per equity share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 973.50 lakhs.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Rajesh Shetty
Partner
Membership number : 130778
Mumbai
Date: April 27, 2022

For and on behalf of the Board

Tej Paul Bhatla
Director
DIN:08491426

V Rajanna
Director
DIN:01280277

Date: April 27, 2022

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MP ONLINE LIMITED

FINANCIAL STATEMENTS

For the year ended
March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MP ONLINE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MP Online Limited (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's director's report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Director's Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
   - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 19 to the financial statements.
   - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
   - d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 23 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
     - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
     - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 23 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) As stated in note 24 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, no remuneration has been paid by the Company to any of its directors. Accordingly, provisions of Section 197 of the Act relating to remuneration to directors are not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: No: No: 101248W/W-100022

Jaclyn Desouza
Partner
Membership No: 124629
UDIN: 22124629AICTFR4290

Mumbai
29 April 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MP ONLINE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a) B of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified every year. In accordance with this programme, Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets). Further the Company does not have any intangible assets.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering development, management_ services of online portal for providing web-based services by Government to citizens . Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, , Cess and other material statutory dues have been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues of Customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, , Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, , Service tax, , , Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period	Forum where dispute is pending
The Finance Act, 1994	Service tax	2,882.96**	October 2009 to September 2014	Appellate Tribunal
The Finance Act, 1994	Service tax	1,177.67**	October 2014 to March 2016	Appellate Tribunal
The Finance Act, 1994	Service tax	929.33**	April 2016 to June 2017	Appellate Tribunal
The Income Tax Act, 1961	Income Tax	7.15	AY 2014-15	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	2.35	AY 2018-19	Commissioner of Income Tax (Appeals)

** These amounts are net of amount paid/ adjusted under protest Rs. 275.80 lakhs. As explained to us, the Company did not have any dues of Customs.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaclyn Desouza
Partner
Membership No: 124629
UDIN: 22124629AICTFR4290

Mumbai
29 April 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MP ONLINE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of MP Online Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaclyn Desouza
Partner
Membership No: 124629
UDIN: 22124629AICTFR4290

Mumbai
29 April 2022

Balance Sheet

(₹ in lakhs)

	Note	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
Non - current assets			
Property, plant and equipment	8(a)	**208.09**	246.30
Right-of-use assets	7	**458.43**	505.94
Financial assets			
Trade receivables			
Billed	6(b)	**-**	-
Other financial assets	6(e)	**72.35**	69.07
Income tax assets (net)		**115.01**	115.01
Deferred tax assets (net)	15	**162.41**	113.84
Other assets	8(b)	**288.71**	282.87
Total non-current assets		**1,305.00**	1,333.03
Current assets			
Financial assets			
Investments	6(a)	**12,061.23**	9,284.32
Trade receivables			
Billed	6(b)	**110.61**	289.27
Cash and cash equivalents	6(c)	**1,793.12**	1,228.13
Loans	6(d)	**1.19**	8.80
Other financial assets	6(e)	**29.10**	3,073.01
Other assets	8(b)	**571.15**	434.70
Total current assets		**14,566.40**	14,318.23
TOTAL ASSETS		**15,871.40**	15,651.26
II. EQUITY AND LIABLITIES			
Equity			
Share capital	6(m)	**100.00**	100.00
Other equity	9	**12,040.85**	10,256.19
Total Equity		**12,140.85**	10,356.19
Liabilities			
Non-current liablities			
Financial liabilities			
Lease liabilities		**495.21**	526.97
Employee benefit obligations	12	**32.52**	4.24
Total non-current liablities		**527.73**	531.21
Current liabilities			
Financial liabilities			
Lease liabilities		**84.12**	82.33
Trade payables			
Dues of micro enterprises and small enterprises	6(f)	**-**	-
Dues to creditors other than micro enterprises and small enterprises	6(g)	**226.85**	405.00
Other financial liablities	6(i)	**1,567.92**	3,006.11
Unearned and deferred revenue		**38.03**	16.53
Other liabilities		**986.33**	1,106.30
Employee benefit obligation	12	**114.68**	50.12
Income tax liabilities (net)		**184.89**	97.47
Total current liablities		**3,202.82**	4,763.86
TOTAL EQUITY AND LIABILITIES		**15,871.40**	15,651.26
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-24		

As per our report of even date attached

For and on behalf of the Board of MP Online Limited
CIN number : U72400MP2006PLC018777

FOR B S R & Co. LLP

Chartered Accountants
Firm Registration no. 101248W/W-100022

Jaclyn Desouza
Partner
Membership no. 124629
Mumbai, 29, April, 2022

Lakshminarayanan G S
Director
DIN : 07982712

Venguswamy Ramaswamy
Director
DIN : 07943675
Mumbai, 29, April, 2022

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Statement of Profit and Loss

(₹ in lakhs)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	10	**7,704.03**	6,982.06
Other income	11	**520.93**	633.70
TOTAL INCOME		**8,224.96**	7,615.76
Expenses			
Employee benefit expenses	12	**1,201.05**	1,011.71
Finance cost	14	**52.35**	54.47
Depreciation expense	7, 8(a)	**103.78**	117.80
Other expenses	13(a)	**4,402.11**	4,337.21
TOTAL EXPENSES		**5,759.29**	5,521.19
PROFIT BEFORE TAX		**2,465.67**	2,094.57
Tax expense			
Current tax	15	**667.72**	615.60
Deferred tax	15	**(33.00)**	(74.70)
TOTAL TAX EXPENSES		**634.72**	540.90
PROFIT FOR THE YEAR		**1,830.95**	1,553.67
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that will not be reclassified subsequently to profit and loss			
Remeasurement of defined employee benefit plans		**(61.86)**	12.35
Income tax on items that will not be reclassified subsequently to profit and loss		**15.57**	(3.11)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		**(46.29)**	9.24
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		**1,784.66**	1,562.91
Earnings per equity share - Basic and diluted (₹)	16	**183.10**	1 55.37
Weighted average number of equity shares		**10,00,000**	10,00,000
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-24		

As per our report of even date attached

For and on behalf of the Board of MP Online Limited
CIN number : U72400MP2006PLC018777

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Mumbai, 29, April, 2022

Statement of changes in equity

A) EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
100	-	-	-	100

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2021
100	**-**	**-**	**-**	**100**

* Refer note 6(m)

B) OTHER EQUITY

(₹ in lakhs)

	General reserve	Retained earnings	Total Equity
Balance as at April 1, 2021	519.00	9,737.19	10,256.19
Profit for the year		1,830.95	1 ,830.95
Other comprehensive income		(46.29)	(46.29)
General reserve	(519.00)	519.00	-
Total comprehensive income	-	12,040.85	12,040.85
Balance as at March 31, 2022	-	12,040.85	12,040.85
Balance as at April 01, 2020	**519.00**	**9,254.28**	**9,773.28**
Profit for the year		**1,553.67**	**1,553.67**
Other comprehensive income		**9.24**	**9.24**
Total comprehensive income	**519.00**	**10,817.19**	**11,336.19**
Dividend		**(1,080.00)**	**(1,080.00)**
Balance as at March 31, 2021	**519.00**	**9,737.19**	**10,256.19**

Nature and purpose of reserves

General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-24

As per our report of even date attached

For and on behalf of the Board of MP Online Limited
CIN number : U72400MP2006PLC018777

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Mumbai, 29, April, 2022

Statement of Cash Flows

(₹ in lakhs)

		Year ended March 31, 2022	Year ended March 31, 2021
I	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit for the year	**2,465.67**	2 ,094.57
	Adjustments to reconcile profit or loss to net cash provided by operating activities		
	Depreciation expense	**103.78**	117.80
	Net gain on investments	**(272.06)**	(135.63)
	Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	**225.34**	392.57
	Interest income	**(119.47)**	(430.16)
	Unrealised gain on investments	**(129.40)**	(64.59)
	Finance costs	**52.35**	54.47
	Operating profit before working capital changes	**2,326.21**	2,029.03
	Net change in		
	Trade receivables	**178.66**	68.21
	Loans and other financial assets	**5.71**	170.74
	Other assets	**(142.29)**	124.17
	Trade payables	**(178.15)**	87.17
	Unearned and deferred revenue	**21.50**	14.12
	Employee benefit obligation	**108.41**	(5.17)
	Other liabilities and provisions	**(1,558.16)**	1,340.81
	Cash generated from operations	**761.89**	3,829.08
	Taxes paid (net of refunds)	**(595.87)**	(470.70)
	Net cash provided by/operating activities	**166.02**	3,358.38
II	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Bank deposits placed	**(0.72)**	(3,096.43)
	Inter-corporate deposits placed	**-**	-
	Purchase of investments	**(10,999.45)**	(14,899.31)
	Payment for purchase of property, plant and equipment	**(18.06)**	(20.19)
	Proceeds from bank deposits	**3,000.00**	70.00
	Proceeds from inter-corporate deposits	**-**	8,656.76
	Proceeds from disposal / redemption of investments	**8,351.94**	7,273.65
	Interest received	**160.47**	256.32
	Net cash provided by/(used in) investing activities	**494.18**	(1,759.20)
III	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Dividend	**-**	(1,080.00)
	Interest paid	**(52.35)**	(40.33)
	Repayment of lease liabilities	**(42.86)**	(36.61)
	Net cash (used in) financing activities	**(95.21)**	(1,156.94)
	Net change in cash and cash equivalents	**564.99**	442.24
	Cash and cash equivalents at the beginning of the year	**1,228.13**	785.89
	Cash and cash equivalents at the end of the year (Refer Note 6c)	**1,793.12**	1,228.13
	NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-24		

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'

As per our report of even date attached

For and on behalf of the Board of MP Online Limited
CIN number : U72400MP2006PLC018777

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Director
DIN : 07982712

Venguswamy Ramaswamy
Director
DIN : 07943675
Mumbai, 29, April, 2022

1. CORPORATE INFORMATION

MPOnline Limited (herein referred to as 'the Company') is a subsidiary of Tata Consultancy Services Limited ('TCS' or 'Holding Company') The Company primarily operates an e-commerce portal allowing payments and money transfer to be made through the Internet, enabling citizens and businesses to make payment of dues to various departments of state governments, educational institutions, public utilities and insurance companies.

The Company, is a public company incorporated and domiciled in India. The address of its registered office and principal place of business Office Block No.14 to 17, DB City Corporate block , DB Mall Fourth Floor, Arera Hills, MP Nagar, Bhopal 462011. As of March 31, 2022 Tata Consultancy Services Limited, the holding company owned 89% of the Company's equity share capital. Tata Sons Private Limited is the ultimate parent.

The Company is a venture between Tata Consultancy Services Limited and Madhya Pradesh State Electronics Development Corporation Limited ('Significant Shareholder'). The shareholding agreement between parties is valid until March 31, 2027.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on April 29, 2022.

2 . STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

3 . BASIS OF PREPARATION

These financial statements have been prepared in Indian Rupee which is the functional currency of the Company.

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

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in division II of Schedule III to the Company's Act, 2013. Based on the nature of services rendered to customer and time elapsed between deployment of resources and realisation in cash and cash equivalents of the consideration for such a services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

4 . USE OF ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

b) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

d) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

e) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

f) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

g) Impact of COVID-19 (Pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statemments.

6. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a Group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a) Investments - current

	As at March 31, 2022	As at March 31, 2021
Investments carried at fair value through profit or loss	**12,061.23**	9,284.32
Mutual funds units (quoted)	**12,061.23**	9,284.32

Aggregate value of quoted investments is as follows:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Aggregate value of quoted investments	**12,061.23**	9,284.32
Aggregate market value of quoted investments	**12,061.23**	9,284.32

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b) Trade receivables - Billed

Trade receivables - Billed (unsecured) consist of the following:

Trade receivables - Billed - Non current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Trade receivables	**519.57**	298.61
Less: Allowance for doubtful trade receivables - Billed	**(519.57)**	(298.61)
Considered good	**-**	-

Ageing for trade receivables – non-current outstanding as at March 31, 2022 is as follows:

(₹ in lakhs)

	Outstanding for following periods from due date of payment						
Particulars	**Not due**	**Less than 6 mnths**	**mnths 6 mnths - 1 yr**	**1 - 2 yrs**	**2 - 3 yrs**	**More than 3 yrs**	**Total**
Trade receivables - Billed	-	-	-	-	-	-	-
Undisputed trade receivables – considered good	-	-	-	6.24	-	513.33	519.57
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	6.24	-	513.33	519.57
Less: Allowance for doubtful trade receivables - Billed							519.57
							-

Ageing for trade receivables – non-current outstanding as at March 31, 2021 is as follows:

(₹ in lakhs)

	Outstanding for following periods from due date of payment						
Particulars	**Not due**	**Less than 6 mnths**	**mnths 6 mnths - 1 yr**	**1 - 2 yrs**	**2 - 3 yrs**	**More than 3 yrs**	**Total**
Trade receivables - Billed	-	-	-	-	-	-	-
Undisputed trade receivables – considered good	-	-	-	-	298.61	-	298.61
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit im-paired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	-	298.61	-	298.61
Less: Allowance for doubtful trade receivables - Billed							298.61
							-

Trade receivables - Billed - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Trade receivables - Billed	**110.61**	289.27
Less : Allowance for doubtful trade receivables - Billed	**-**	-
Considered good	**-**	-
	110.61	289.27

Above balances of trade receivables include balances with related parties (Refer note 21).

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Ageing for trade receivables – non-current outstanding as at March 31, 2022 is as follows:

(₹ in lakhs)

	Outstanding for following periods from due date of payment						
Particulars	Not due	Less than 6 mnths	mnths 6 mnths - 1 yr	1 - 2 yrs	2 - 3 yrs	More than 3 yrs	Total
Trade receivables - Billed	-	-	-	-	-	-	-
Undisputed trade receivables – considered good	20.99	57.10	20.29	12.23	-	-	110.61
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit im-paired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	20.99	57.10	20.29	12.23	-	-	110.61
Less: Allowance for doubtful trade receivables - Billed							-
							110.61

Ageing for trade receivables – non-current outstanding as at March 31, 2021 is as follows:

(₹ in lakhs)

	Outstanding for following periods from due date of payment						
Particulars	Not due	Less than 6 mnths	mnths 6 mnths - 1 yr	1 - 2 yrs	2 - 3 yrs	More than 3 yrs	Total
Trade receivables - Billed	-	-	-	-	-	-	-
Undisputed trade receivables – considered good	45.60	22.71	6.24	-	214.72	-	289.27
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	45.60	22.71	6.24	-	214.72	-	289.27
Less: Allowance for doubtful trade receivables - Billed							-
							289.27

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c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	**1,793.12**	1,228.13
	1,793.12	1,228.13

d) Loans

Loans (unsecured) consist of the following:

Loans - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Loans and advances to employee	**1.19**	8.80
	1.19	8.80

e) Other financial assets

Other financial assets consist of the following:

Other financial assets - Non-current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Security deposits	**25.20**	24.02
Earmarked balances with banks	**47.15**	45.05
	72.35	69.07

* Earmarked balances includes balances held as margin money against guarantees.

Other financial assets - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Bank deposits	**-**	3,000.00
Earmarked balances with banks	**23.62**	25.00
Interest receivable	**5.48**	48.01
	29.10	3,073.01

*Earmarked balances includes balances held as margin money against guarantees.

f) Micro and small enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) fordues to micro enterprises and small enterprises as at March 31, 2022 and March 31, 2021 is as under:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Dues remaining unpaid to any supplier Principal	-	-
Interest on the above	-	-
Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-
	-	-

g) Trade payables

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(₹ in lakhs)

	Outstanding for following periods from due date of payment					
Particulars	Not due	Less than 1 yr	1 - 2 yrs	2 - 3 yrs	More than 3 year	Total
MSME	-	-	-	-	-	-
Others	23.42	-	-	-	156.56	179.98
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	23.42	-	-	-	156.56	179.98
Accrued expenses	-	-	-	-		46.87
						226.85

Above balances of trade payables include balances with related parties (Refer note 21).

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Ageing for trade payables outstanding as at March 31, 2021 is as follows:

(₹ in lakhs)

	Outstanding for following periods from due date of payment					
Particulars	**Not due**	**Less than 1 yr**	**1 - 2 yrs**	**2 - 3 yrs**	**More than 3 year**	**Total**
MSME	-	-	-	-	-	-
Others	104.82	5.45	61.06	-	156.56	327.89
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	104.82	5.45	61.06	-	156.56	327.89
Accrued expenses	-	-	-	-		77.11
						405.00

Above balances of trade payables include balances with related parties (Refer note 21).

h) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Amount collected on behalf of customers	**1,509.23**	2,998.94
Security deposits received	**58.29**	6.29
Accrued payroll	**0.40**	0.88
	1 ,567.92	3,006.11

j) Financial instruments by category

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets			
Cash and cash equivalents	**-**	**1,793.12**	**1,793.12**
Investments	**12,061.23**	**-**	**12,061.23**
Trade receivables	**-**	**110.61**	**110.61**
Loans*	**-**	**1.19**	**1.19**
Other financial assets	**-**	**101.45**	**101.45**
Total	**12,061.23**	**2,006.37**	**14,067.60**

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Financial liabilities			
Trade payables	**-**	**226.85**	**226.85**
Lease liabilities	**-**	**579.33**	**579.33**
Other financial liabilities	**-**	**1,567.92**	**1,567.92**
Total	**-**	**2,374.10**	**2,374.10**

The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets			
Cash and cash equivalents	-	1,228.13	1,228.13
Investments	9,284.32	-	9,284.32
Trade receivables	-	289.27	289.27
Loans	-	8.80	8.80
Other financial assets	-	3,142.08	3,142.08
Total	9,284.32	4,668.28	13,952.60
Financial liabilities	-		
Trade payables		405.00	405.00
Lease liabilities	-	609.30	609.30
Other financial liabilities	-	3,006.11	3,006.11
Total	-	4,020.41	4,020.41

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at March 31, 2022 and 2021 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented.

Measurement of fair value

The management assessed the fair values of cash and cash equivalents, trade receivables, unbilled revenue, loan receivables, other financial assets, trade payable and other financial liabilities at their carrying amounts due to short term maturities of these investments.

j) Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist 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 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):

(₹ in lakhs)

	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Financial assets				
Mutual fund units	**12,061.23**	**-**	**-**	**12,061.23**
Total	**12,061.23**	**-**	**-**	**12,061.23**
As at March 31, 2021				
Financial assets				
Mutual fund units	9,284.32	-	-	9,284.32
Total	9,284.32	-	-	9,284.32

k) Financial risk management

The Company is exposed primarily to credit and liquidity risk which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of the Board is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

Foreign currency exchange rate risk

The Company has no exposure to foreign currency risk.

Interest rate risk

The Company investments are primarily in fixed rate interest bearing investments. Hence the company is not significantly exposed to interest rate risk

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 14,067.61 lakhs and ₹ 13,952.60 lakhs as of March 31, 2022 and 2021, respectively, being the total of the Carrying amount of balances with banks, bank deposits, investments, trade receivables and other financial assets.

Of the trade receivables balance as at March 31, 2022 is due from following three largest customers of the Company. There are no other customers who represent more than 10% of the total trade receivables and unbilled receivables.

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Customer A	**17.45**	22.69
Customer B	**327.81**	327.81
Customer C	**191.76**	191.76
Customer D	**40.17**	-
	577.19	542.26

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Geographic concentration of credit risk

The Company has a geographic concentration of trade receivables, net of allowances in India.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as of:

(₹ in lakhs)

March 31, 2022	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total
Trade and other payables	226.85	-	-	-	226.85
Lease liabilities	84.12	62.77	111.44	1,460.15	1,718.48
Other financial liabilities	1,567.92	-	-	-	1,567.92
Total	1,878.89	62.77	111.44	1,460.15	3,513.25
March 31, 2021	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total
Trade and other payables	405.00	-	-	-	405.00
Lease liabilities	82.33	84.12	136.38	1,497.98	1,800.81
Other financial liabilities	3,006.11	-	-	-	3,006.11
Total	3,493.44	84.12	136.38	1,497.98	5,211.92

m) **Equity instruments**

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

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Authorised		
10,00,000 equity shares of ₹ 10 each	100.00	100.00
(March 31, 2021 : 10,00,000 Equity shares of ₹ 10 each)	-	-
Issued, Subscribed and Fully paid up		
10,00,000 equity shares of ₹ 10 each	100.00	100.00
(March 31, 2021 : 10,00,000 Equity shares of ₹ 10 each)	-	-
Total	100.00	100.00

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a. Reconciliation of the number of shares

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	**Amount (₹ in lakhs)**	Number of shares	Amount (₹ in lakhs)
Equity shares				
Opening balance	**10,00,000**	**100.00**	10,00,000	100.00
Issued during the year	**-**	**-**	-	-
Closing balance	**10,00,000**	**100.00**	10,00,000	100.00

b. Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of 10 per share. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of the interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Shares held by holding company

	Number of shares	
	As at March 31, 2022	**As at March 31, 2021**
Equity shares		
Holding Company		
8,90,000 equity shares (March 31, 2021: 8,90,000) are held by Tata Consultancy Services Limited	**8,90,000**	8,90,000

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

	As at March 31, 2022		As at March 31, 2021	
Class of shares / Name of shareholder	**Number of shares held**	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares				
Madhya Pradesh State Electronics Development Corporation	**1,10,000**	**11%**	1,10,000	11%
Tata Consultancy Services Limited	**8,90,000**	**89%**	8,90,000	89%

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e. Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Promoter name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares	**% of total shares**	Number of shares	% of total shares	
Madhya Pradesh State Electronics Development Corporation	**1,10,000**	**11%**	1,10,000	11%	0%
Tata Consultancy Services Limited	**8,90,000**	**89%**	8,90,000	89%	0%

e. 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.

7. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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The Company has elected not to apply the requirements of Ind AS 116 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 recognized as an expense on a straight-line basis over the lease term.

Company as a lessee

The details of the right-of-use asset held by the Company is as follows:

(₹ in lakhs)

	Additions for the year ended March 31, 2022	Net carrying amount as at March 31, 2022
Leasehold Building	**-**	**458.43**
	-	**458.43**

	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Leasehold Building	-	505.94
	-	505.94

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation		
Leasehold Building	**47.51**	48.34
	47.51	48.34

Interest on lease liabilities is ₹ 52.35 lakhs and ₹ 54.47 lakhs for the years ended March 31, 2022 and 2021, respectively.

The total cash outflow for leases is ₹ 82.33 lakhs and ₹ 80.20 lakhs for the years ended March 31, 2022 and 2021, respectively. The Company incurred ₹ Nil and ₹ 2.23 lakhs for the years ended March 31, 2022 and 2021, respectively, towards expenses relating to short-term leases and leases of low-value assets.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

8. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

a) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. Cost of an item of property, plant and equipment comprises of its purchases price including non refundable taxes, after deducting trade discount and any directly attributable cost of bringing the item to its working condition for its intended use..

Depreciation is provided for property, plant and equipment on 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
Leasehold improvements	Lease term
Computer equipment	4 years
Vehicles	4 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	5 years

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Property, plant and equipment consist of the following:

(₹ in lakhs)

Description	Leasehold Improvements	Computer equipment	Vehicles	Office equipment	Electrical Installations	Furniture and fixtures	Total
Cost as at April 1, 2021	**204.00**	**581.15**	**9.04**	**109.43**	**16.28**	**52.69**	**972.59**
Additions	-	18.06	-	-	-	-	18.06
Disposals	-	-	-	-	-	-	-
Cost as at March 31, 2022	**204.00**	**599.21**	**9.04**	**109.43**	**16.28**	**52.69**	**990.65**
Accumulated depreciation as at April 1, 2021	**(54.42)**	**(512.54)**	**(9.04)**	**(81.54)**	**(16.06)**	**(52.69)**	**(726.29)**
Disposals	-	-	-	-	-	-	-
Depreciation for the year	(11.84)	(32.97)	-	(11.24)	(0.22)	-	(56.27)
Accumulated depreciation as at March 31, 2022	**(66.26)**	**(545.51)**	**(9.04)**	**(92.78)**	**(16.28)**	**(52.69)**	**(782.56)**
Net carrying amount as at March 31, 2022	**137.74**	**53.70**	**-**	**16.65**	**-**	**-**	**208.09**

* ₹ 18.05 lakhs has been capitalised and transferred to Property, plant and equipment during the year ended March 31, 2022.

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(₹ in lakhs)

Description	Leasehold Improvements	Computer equipment	Vehicles	Office equipment	Electrical Installations	Furniture and fixtures	Total
Cost as at April 1, 2020	204.00	560.96	9.04	109.43	16.28	52.69	952.40
Additions	-	20.19	-	-	-	-	20.19
Disposals	-	-	-	-	-	-	-
Cost as at March 31, 2021	204.00	581.15	9.04	109.43	16.28	52.69	972.59
Accumulated depreciation as at April 1, 2020	(42.58)	(467.59)	(9.04)	(69.32)	(15.61)	(52.69)	(656.83)
Disposals	-	-	-	-	-	-	-
Depreciation for the year	(11.84)	(44.95)	-	(12.22)	(0.45)	-	(69.46)
Accumulated depreciation as at March 31, 2021	(54.42)	(512.54)	(9.04)	(81.54)	(16.06)	(52.69)	(726.29)
Net carrying amount as at March 31, 2021	149.58	68.61	-	27.89	0.22	-	246.30

* ₹ 20.19 lakhs has been capitalised and transferred to Property, plant and equipment during the year ended March 31, 2021.

b) Other assets

Other assets consist of the following:

Other assets - Non - current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Prepaid expenses	**12.91**	7.07
Balance with Government authorities	**275.80**	275.80
	288.71	282.87

Other assets - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Prepaid expenses	**57.64**	61.87
Other advance*	**513.51**	372.83
	571.15	434.70

* Paid to MP Electricty Board & NSDL for wallet

c) Other liabilities

Other liabilities - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Advance received from collection agents	**917.92**	1,050.29
Indirect tax payable and other statutory liabilities	**68.41**	56.01
	986.33	1,106.30

9. OTHER EQUITY

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
General reserve		
Opening balance and closing balance	**519.00**	519.00
Transfer to retained earnings	**(519.00)**	-
	-	519.00
Retained earnings		
Opening balance	**9,737.19**	9,254.28
Profit for the year	**1,830.95**	1,553.67
Other comprehensive income	**(46.29)**	9.24
General reserve	**519.00**	-
Total comprehensive income	**12,040.85**	10,817.19
Dividend	**-**	(1,080)
	12,040.85	9,737.19
	12,040.85	10,256.19

10. REVENUE RECOGNITION

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from time and material is recognised on output basis measured by number of transactions processed.

Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue excludes taxes collected from customers.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The Company disaggregates revenue from contracts with customers by nature of services.

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Revenue disaggregation by nature is as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Transaction revenue	**7,618.20**	6,904.86
Adhar authentication	**34.04**	-
Franchisee fees	**39.54**	38.22
Manpower supply	**12.25**	40.98
	7,704.03	6,982.06

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient aligning Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

The Company does not have any contract assets.

Movement in contract liabilities is given below:

(₹ in lakhs)

	Amount
Opening balance as on April 1, 2021	**16.53**
Less : Revenue recognised that was included in the contract liability balance at the beginning of the period.	**623.29**
Add : Increase due to invoicing during the year, excluding amounts recognised as revenue during the year..	**644.79**
Closing balance as on March 31, 2022	**38.03**

For the current year, the revenue recongnised in the statement of profit and loss equals to the contracted price. All the revenue is derived in the state of Madhya Pradesh in India

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11. OTHER INCOME

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

Other income (net) consist of the following :

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income	**117.87**	430.16
Net gain on investments carried at fair value through profit or loss	**129.40**	64.59
Net gain on sale of investments other than equity shares carried at fair value through profit or loss	**272.06**	135.63
Miscellaneous income	**1.60**	3.32
	520.93	633.70
Interest income comprises :		
Interest on bank deposits	**117.87**	49.42
Interest income on corporate deposit	**-**	380.74

12. EMPLOYEE BENEFITS

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Defined contribution plans

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

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 recognized in the period in which the employee renders. the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Employee benefit expenses consist of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, incentives and allowances	**1,085.60**	932.74
Contribution to provident and other funds	**61.71**	41.05
Staff welfare expenses	**53.74**	37.92
	1,201.05	1,011.71

Employee benefit obligations consist of the following:

Employee benefit obligation - Non-Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Gratuity	**32.52**	4.24
	32.52	4.24

Employee benefit obligation - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Gratuity	**58.55**	17.95
Compensated absences	**56.13**	32.17
	114.68	50.12

Employee benefit plans consist of the following:

Gratuity

In accordance with law, the Company operates a scheme of Gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continous years of service.

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

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The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Change in benefit obligations		
Benefit obligations, beginning of the year	**63.03**	64.56
Service cost	**7.95**	9.07
Interest cost	**4.41**	4.36
Actuarial Losses on obligations for the year	**62.12**	(13.72)
Benefit paid	**(1.47)**	(1.24)
Benefit obligations, end of the year	**136.04**	63.03
Change in plan assets		
Fair value of plan assets, beginning of the year	**40.85**	38.62
Interest income	**2.86**	2.60
Employers' contributions	**1.00**	1.00
Return on plan assets, excluding interest income	**0.27**	(1.37)
Fair value of plan assets, end of the year	**44.98**	40.85

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Net obligation:		
(Deficit) of plan assets over obligations	**(91.07)**	(22.19)
	(91.07)	(22.19)

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Category of assets:		
Insurer managed funds	**44.98**	40.85
	44.98	40.85

Net periodic gratuity included in employee cost consists of the following components:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Service cost	**7.95**	9.07
Net interest on net defined benefit liability / (asset)	**1.55**	1.75
Net periodic gratuity / pension cost	**9.50**	10.82
Actual return on plan asets	**2.86**	2.60

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Remeasurement of the net defined benefit liability/(asset):

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Actuarial (gains) arising from changes in demographic assumptions	**0.94**	(0.10)
Actuarial losses arising from changes in financial assumptions	**(5.03)**	(14.40)
Actuarial losses arising from changes in experience adjustments	**66.21**	0.78
Return on plan assets, excluding interest income	**(0.26)**	1.37
Remeasurement of the net defined benefit liability / (assets)	**61.86**	(12.35)

The assumptions used in according for the defined benefit plan are set out below:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	**7.25%**	7.00%
Salary escalation rate	**6%**	6%
Attrition rate		
i) If Services < = 5 years	**22.11%**	20.67%
ii) If Services > 5 years	**2.01%**	1.58%
Mortality Rate	**Indian Assured Lives Mortality (2012-14)**	Indian Assured Lives Mortality (2006-08)

Future mortality experience assumptions are taken based on the published statistics by the Life Insurance Corporation of India.

The Company is expected to contribute ₹ 32.52 lakhs to the defined benefit plan obligation for the year ending March 31, 2023.

Remeasurement (gain) / loss of defined employee benefit plan in other comprehensive income for the fiscals 2022 and 2021 are ₹ 61.86 lakhs and ₹ (12.35) lakhs respectively.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows::

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Increase of 0.50%	**(9.34)**	(4.77)
Decrease of 0.50%	**10.31**	5.31

If the expected salary growth increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Increase of 0.50%	**10.39**	5.33
Decrease of 0.50%	**(9.49)**	4.84

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance sheet.

The defined benefit obligations shall mature after year ended March 31, 2022 as follows:

(₹ in lakhs)

Year ending March 31,	Defined benefit obligations
2023	**4.56**
2024	**4.31**
2025	**3.97**
2026	**4.12**
2027	**6.46**
2028 to 2032	**31.46**

Providend Fund

In accordance with law, the employees of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly.

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund covers substantially all regular employees. While both, the employee and the Company pay predetermined contributions into the provident fund, contribution into the family pension fund are made by only the Company. The contribution is based on certain proportion of employee's salary. Contributions to Provident Fund are made to The Regional Provident Fund Commissioner for qualifying employees.

The Company expensed contributed ₹ 50.97 lakhs (March 31, 2021: ₹ 27.84 lakhs) for provident fund during the year ended March 31, 2022.

13. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation expense and other expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licences, communication expenses, comission, bad debts and advances written off, allowance for doubtful trade receivable and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

a) Other expenses

Other expenses consist of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Fees to external consultants	**732.90**	166.28
Facility expenses	**82.68**	285.50
Cost of equipment and software licences	**25.99**	25.06
Communication expenses	**185.27**	289.96
Commission	**2,997.97**	3,001.10
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	**225.34**	392.57
Expenditure on Corporate Social Responsibility (refer to in note 13b)	**49.64**	58.25
Others (includes auditors remuneration referred to in note 17)	**102.32**	118.49
	4,402.11	4,337.21

b) Corporate Social Responsibility (CSR) expenditure

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
1 - Amount required to be spent by the company during the year	**49.12**	58.24
2 - Amount of expenditure incurred on:		-
(i). Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**49.64**	58.24
3 - Shortfall at the end of the year	**-**	-
4 - Total of previous years shortfall	**-**	-
5 - Reason for shortfall	**-**	-
6 - Nature of CSR activities	**Education and welfare of children with disabilities**	-
7 - Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	**-**	-

14. FINANCE COSTS

Finance costs consist of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	**52.35**	54.47
	52.35	54.47

15. INCOME TAX

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

Current tax is measured based on taxable profit for the year and is computed in accordance with the Income Tax Act, 1961 using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after offsetting advance taxes paid and income tax provisions arising in the same tax jurisdictions.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

The income tax expense consists of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax		
Current tax expenses for current year	**667.72**	615.60
Current tax benefit pertaining to prior years		
	667.72	615.60
Deferred tax expenses/(benefit)	**(33.00)**	(74.70)
Deferred tax expense / (benefit) pertaining to prior years		
	(33.00)	(74.70)
Total income tax expense recognised in current year	**634.72**	540.90
Income tax expense recognised in OCI		
Deferred tax on remeasurement of defined employee benefit plan.	**15.57**	(3.11)

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before income taxes	**2,465.67**	2,094.57
Indian statutory income tax rate	**25.17%**	25.17%
Expected income tax expense	**620.61**	527.20
Tax effect of adjustments to reconcile expected income tax expense		
Disallowance of CSR expenses	**12.49**	14.66
Others (net)	**1 .62**	(0.96)
Total income tax expense	**634.72**	540.90

Deferred tax balance

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2022 are as follows::

(₹ in lakhs)

	Opening balance	Recognised in profit and loss	Recognised through OCI	Recognised through Retained earning	Closing balance
Deferred tax assets / (liabilities) in relation to					
Property, plant and equipment	**32.22**	**(5.80)**	**-**	**-**	**26.42**
Provision for employee benefits	**13.90**	**7.68**	**15.57**	**-**	**37.15**
Unrealised gain / on securities carried at fair value through profit or loss / other comprehensive income	**(29.79)**	**(32.57)**	**-**	**-**	**(62.36)**
Operating lease liabilities	**26.01**	**4.41**	**-**	**-**	**30.42**
Others	**71.50**	**59.28**	**-**	**-**	**130.78**
Net deferred tax assets / (liabilities)	**113.84**	**33.00**	**15.57**	**-**	**162.41**

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at March 31, 2022	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	**26.42**	**-**	**26.42**
Provision for employee benefits	**37.15**	**(37.15)**	**74.30**
Unrealised gain / on securities carried at fair value through profit or loss / other comprehensive income	**-**	**62.36**	**(62.36)**
Operating lease liabilities	**30.42**	**-**	**30.42**
Others	**130.78**	**-**	**130.78**
Total deferred tax assets / (liabilities)	**224.77**	**25.21**	**199.56**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(₹ in lakhs)

	Opening balance	Recognised in profit and loss	Recognised through OCI	Recognised through Retained earning	Closing balance
Deferred tax assets / (liabilities) in relation to					
Property, plant and equipment	29.47	2.75	-	-	32.22
Provision for employee benefits	15.24	(4.45)	3.11	-	13.90
Unrealised gain / on securities carried at fair value through profit or loss / other comprehensive income	(6.50)	(23.29)	-	-	(29.79)
Operating lease liabilities	12.46	13.55	-	-	26.01
Others	(8.42)	79.92	-	-	71.50
Net deferred tax assets / (liabilities)	42.25	68.48	3.11	-	113.84

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at March 31, 2021	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	32.22		32.22
Provision for employee benefits	13.90		13.90
Unrealised gain on securities carried at fair value through profit or loss / other		29.79	(29.79)
Operating lease liabilities	26.01		26.01
Others	75.17	3.67	71.50
Net deferred tax assets / (liabilities)	147.30	33.46	113.84

16. EARNINGS PER SHARE

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

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the year (₹ in lakhs)	**1,830.95**	1,553.67
Weighted average number of equity shares	**10,00,000**	10,00,000
Earnings per share basic and diluted (₹)	**183.10**	155.37
Face value per equity share (₹)	**10**	10

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17. AUDITORS REMUNERATION

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Services as statutory auditors	**5.00**	5.00
Re-imbursement of out of pocket expenses	**0.28**	0.23
	5.28	5.23

18. SEGMENT INFORMATION

The Company has been operating largely in one business segment viz. development, maintenance and management of the MPOnline portal for providing web based services and the other activities of the Company are incidental to the portal. These activities conducted only in one geographic segment viz India. Therefore, the disclosure requirements of the Ind AS 108 on "Segment Reporting" are not applicable.

For the year ended March 31, 2022 there are three customers that contribute more than 10% each of total revenue.

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Customer A	**111.35**	984.42
Customer B	**962.41**	115.88
Customer C	**1,194.59**	1,150.52

19. COMMITMENTS AND CONTINGENCIES

Indirect tax matters

The Company has ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. As at March 31, 2022, the Company has demands amounting to ₹ 5265.76 lakhs (March 31, 2021: ₹ 5265.76 lakhs) from indirect tax authority which are being contested by the Company.

Income tax matters

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances, and characterisation of fees for services received.

The Company has contingent liability in respect of demands from direct tax authorities, which are being contested by the Company on appeal amounting ₹ 9.50 lakhs and ₹ 9.50 lakhs as at March 31, 2022 and 2021, respectively.

Bank guarantees

The Company has provided guarantees to third parties aggregating ₹ 60.00 lakhs (March 31, 2021: ₹ 60.00 lakhs). The Company does not expect any outflow of resources in respect of the above.

20. 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 has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and 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.

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21. RELATED PARTY TRANSACTIONS

The Company's principal related parties consist of its Holding Company Tata Consultancy Services Limited, Madhya Pradesh State Electronics Development Corporation Limited and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Ultimate Holding Company

Tata Sons Private Limited

Holding Company

Tata Consultancy Services Limited

Significant shareholder

Madhya Pradesh State Electronics Development Corporation Limited

Key Management Personnel (KMP)

Rajeev Sisaudia - Chief Operating Officer up to December 31, 2021

Arun Panchal - Chief Operating Officer w.e.f. January 01, 2022

Sankar Ramamurthy - Company Secretary**

Transactions with related parties are as follows:

(₹ in lakhs)

	Year ended March 31, 2022		
	Holding Company	**Significant shareholder**	**Total**
Revenue from operations	**12.25**	**34.04**	**46.29**
Purchases of goods and services	**602.18**	**31.11**	**633.29**
Reimbursement of expenses	**4.51**	**12.43**	**16.94**

(₹ in lakhs)

	Year ended March 31, 2021		
	Holding Company	Significant shareholder	Total
Revenue from operations	29.75	-	29.75
Purchases of goods and services*	199.49	28.61	228.10
Reimbursement of expenses	1.50	15.50	17.00
Dividend paid	961.20	118.80	1,080.00

* The key manangement personnel of the Company are on deputation and draw remuneration ₹ 56.25 lakhs and ₹ 59.04 lakhs from Tata Consultancy Services Limited as at March 31, 2022 and 2021, respectively. Service charges are payable by the Company to Tata Consultancy Services Limited

** The Company Secretary of the Company is on deputation and draws remuneration from Tata Consultancy Services Limited. Service charges are not payable by the Company to Tata Consultancy Services Limited.

(₹ in lakhs)

	As at March 31, 2022		
	Holding Company	**Significant shareholder**	**Total**
Trade receivables	**14.56**	**231.93**	**246.49**
Security deposit	**-**	**8.15**	**8.15**
Total	**14.56**	**240.08**	**254.64**

(₹ in lakhs)

	As at March 31, 2021		
	Holding Company	Significant shareholder	Total
Trade receivables	-	191.76	191.76
Security deposit	-	8.15	8.15
Total	-	199.91	199.91

Balances payable to related parties are as follows:

(₹ in lakhs)

	As at March 31, 2022		
	Holding Company	**Significant shareholder**	**Total**
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	**23.41**	**-**	**23.41**
Total	**23.41**	**-**	**23.41**

(₹ in lakhs)

	As at March 31, 2021		
	Holding Company	Significant shareholder	Total
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	42.81	-	42.81
Total	42.81	-	42.81

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22) ADDITIONAL REGULATORY INFORMATION

a) Ratios

Ratio	Numerator	Denominator	Current year	Previous year
Current ratio (in times)*	Total current assets	Total current liabilities	4.55	3.01
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.05	0.06
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments+Principal repayments	NA	NA
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any	Average total equity	20%	20%
Trade receivables turnover ratio (in times)**	Revenue from operations	Average trade receivables	9.63	3.69
Trade payables turnover ratio (in times)	Cost of equipment and software licences + Other expenses	Average trade payables	13.93	12.00
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	0.68	0.73
Net profit ratio (in %)	Profit for the year	Revenue from operations	24%	22%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	20%	20%
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	NA	NA

*Current ratio (in times) has improved in the current financial year as the Company has repaid the advances taken from customers to the extent of ₹ 1,489 lakhs which is reducing the current liability.

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**Trade receivables turnover ratio (in times) increased as there is an increase in revenue in the current financial year along with improved collections.

23. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

24. SUBSEQUENT EVENT:

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Accordingly the Retained Earnings reported in these financial statements may not be fully distributable. As at March 31, 2022, income (net of dividend tax) available for distribution were ₹ 12,040.85 lakhs. On April 29, 2022 the Board of Directors of the Company have proposed a final dividend of ₹ 203 per equity share in respect of the year ended March 31, 2022.

Note:

Previous Years figures have been reclassed wherever necessary.

As per our report of even date attached

For and on behalf of the Board of MP Online Limited
CIN number : U72400MP2006PLC018777

FOR B S R & Co. LLP

Chartered Accountants
Firm Registration no. 01248W/W-100022

Jaclyn Desouza
Partner
Membership no. 124629
Mumbai, 29, April, 2022

Lakshminarayanan G S
Director
DIN : 07982712

Venguswamy Ramaswamy
Director
DIN : 07943675
Mumbai, 29, April, 2022

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C-EDGE TECHNOLOGIES LIMITED

(CIN: U72900MH2006PLC159038)

FINANCIAL STATEMENTS

For the year ended
March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF C-EDGE TECHNOLOGIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of C-Edge Technologies Limited (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 17 to the financial statements.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

      (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

According to the information and explanations given to us, no remuneration has been paid by the Company to any of its directors. Accordingly, provisions of Section 197 of the Act relating to remuneration to directors are not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaclyn Desouza
Partner
Membership No: 124629
UDIN:22124629AHTTFQ6828

Mumbai, April 26, 2022

Annexure A to the Independent Auditor's report on the financial statements

(Referred to our report of even date)

(i). (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, Computers were verified during the year and no material discrepancies have been noticed on such verification. Further, all other classes of property, plant and equipment were not verified due to disruption arising from COVID 19 and the Company has represented to us they have extended the programme of physical verification by one more year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its fixed assets.

(c) The Company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) during the year. The Company does not have any intangible assets.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii). (a) The Company is service company, primarily rendering information technology related solution. Accordingly, it does not hold any physical inventory. Accordingly, paragraph 3(ii)(a) of the order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv). According to the information and explanations given to us and on the basis of our examination of the records, the Company has neither made any investments nor given any loans, or provided guarantee or security and therefore the relevant provisions of Section 185 and Section 186 of the Act are not applicable to the Company. Accordingly, clause3(iv) of the Order is not applicable.

(v). The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi). According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

(vii). (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST. As explained to us, the Company did not have any dues of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Provident Fund, Employees State Insurance, Income-Tax, or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute. The following dues of Goods and Service Tax, have been deposited by the Company on account of dispute:

Name of the statue	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Goods and Service Tax Act	GST	3,04,38,213	2017	Joint Commissioner	None

As explained to us, the Company did not have any dues of Customs.

(viii). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix). (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Act. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x). (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi). (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations.

(xii). According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii). In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv).(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv). In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi).(a)The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii). The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii). There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix). According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx). In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaclyn Desouza
Partner
Membership No: 124629
UDIN: 22124629AHTTFQ6828
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Mumbai, April 26, 2022

Annexure B to the Independent Auditor's Report on the financial statements

Report on the internal financial controls with reference to the aforesaid financial statements

(Referred our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of C-Edge Technologies Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaclyn Desouza
Partner
Membership No: 124629
UDIN: 22124629AHTTFQ6828

Mumbai, April 26, 2022

Balance Sheet

(₹ in lakhs)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non - current assets			
Property, plant and equipment	8(a)	**3,013.92**	3,525.40
Capital work-in-progress		**-**	244.00
Right-of-use assets	7	**901.69**	1,216.84
Financial assets			
Trade receivables			
Billed	6(a)	**208.23**	354.74
Unbilled		**15.33**	61.56
Other financial assets	6(d)	**78.73**	5,703.28
Income tax asset (net)		**802.82**	462.45
Deferred tax assets (net)	15	**225.67**	61.10
Other assets	8(b)	**380.84**	636.69
Total non-current assets		**5,627.23**	12,266.06
Current assets			
Financial assets			
Trade receivables			
billed	6(a)	**5,918.55**	7,964.23
Unbilled		**1,734.04**	804.30
Cash and cash equivalents	6(b)(i)	**13,609.97**	12,840.64
Other cash balances with bank	6(b)(ii)	**10,195.45**	2,000.00
Loans	6(c)	**3.74**	1.22
Other financial assets	6(d)	**747.07**	274.03
Other assets	8(b)	**1,545.69**	1,794.39
Total current assets		**33,754.51**	25,678.81
TOTAL ASSETS		**39,381.74**	37,944.87
EQUITY AND LIABLITIES			
Equity			
Share capital	6(j)	**1,000.00**	1,000.00
Other equity	6(k)	**30,261.19**	26,685.75
Total Equity		**31,261.19**	27,685.75
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		**649.87**	892.22
Unearned and deferred revenues		**396.54**	902.77
Employee benefit obligation	11 (ii) (a)	**57.37**	227.74
Total non-current liabilities		**1,103.78**	2,022.73
Current liabilities			
Financial liabilities			
Lease liabilities		**242.35**	264.79
Trade and other payables			
Dues of micro and small enterprises	6(e)	**-**	236.28
Dues of creditors other than micro enterprises and small enterprises	6(f)	**3,860.77**	4,398.42
Other financial liabilities	6(g)	**17.17**	354.49
Unearned and deferred revenues		**1,514.08**	812.56
Other liabilities	8(c)	**742.79**	1,339.87
Employee benefit obligation	11 (ii) (b)	**399.45**	152.45
Income tax liabilities (net)		**240.16**	677.53
Total current liabilities		**7,016.77**	8,236.39
TOTAL EQUITY AND LIABILITIES		**39,381.74**	37,944.87
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-22		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Jaclyn Desouza
Partner
Membership number : 124629

Mumbai, April 25, 2022

For and on behalf of the Board of C-Edge Technologies Limited

RAMAKRISHNAN VENKATARAMAN
Director

RAVINDRA PANDEY
Director

UJJWAL MATHUR
Director

MIHIR MISHRA
Director

Dhananjaya Tambe
Chief Executive Officer

AARTI SALEKAR
Company Secretary

ROHINTON PEER
Chief Financial Officer
Mumbai, April 25, 2022

Statement of Profit and Loss

(₹ in lakhs)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	9	**32,651.45**	30,306.12
Other income	10	**927.23**	853.00
TOTAL INCOME		**33,578.68**	31,159.12
EXPENSES			
Employee benefits expenses	11(i)	**6,002.86**	5,484.26
Finance costs	14	**64.05**	39.67
Depreciation and amortisation expense		**2,022.63**	1,623.35
Other expenses	12	**15,664.23**	14,337.20
TOTAL EXPENSES		**23,753.77**	21,484.48
PROFIT BEFORE TAX		**9,824.91**	9,674.64
TAX EXPENSE			
Current tax	15	**2,656.90**	2,590.52
Deferred tax	15	**(150.19)**	(137.38)
TOTAL TAX EXPENSES		**2,506.71**	2,453.14
PROFIT FOR THE YEAR		**7,318.20**	7,221.50
OTHER COMPREHENSIVE (LOSSES) / INCOME			
Items that will not be reclassified subsiquently to the statement of profit and loss			
Remeasurement of defined employee benefit plans		**(57.14)**	16.20
Income tax on item that will not be reclassified subsequently to the statement of profit and loss		**14.38**	(4.08)
TOTAL OTHER COMPREHENSIVE (LOSSES) / INCOME		**(42.76)**	12.12
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		**7,275.44**	7,233.62
Earnings per equity share- Basic and diluted (₹)	19	**73.18**	72.22
Weighted average number of equity shares		**10,000,000**	10,000,000
Face value per equity share (₹)		**10**	10
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-22		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Jaclyn Desouza
Partner
Membership number : 124629

Mumbai, April 25, 2022

For and on behalf of the Board of C-Edge Technologies Limited

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Director

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Director

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Dhananjaya Tambe
Chief Executive Officer

AARTI SALEKAR
Company Secretary

ROHINTON PEER
Chief Financial Officer
Mumbai, April 25, 2022

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Statement of Changes In Equity

A EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as on April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,000.00	**-**	**1,000.00**	**-**	

(₹ in lakhs)

Balance as on April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
1,000.00	-	1,000.00	-	1,000.00

*Refer note 6(i)

B OTHER EQUITY

(₹ in lakhs)

	Retained earnings
Balance as at April 1, 2020	23,552.13
Profit for the year	7,221.50
Other comprehensive income	12.12
Total comprehensive income	30,785.75
Dividend	(4,100.00)
Balance as at March 31, 2021	**26,685.75**
Balance as at April 1, 2021	**26,685.75**
Profit for the year	**7,318.20**
Other comprehensive income	**(42.76)**
Total comprehensive income	**33,961.19**
Dividend	**(3,700.00)**
Balance as at March 31, 2022	**30,261.19**

Nature and purpose of reserves

a. Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-22

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Jaclyn Desouza
Partner
Membership number : 124629

Mumbai, April 25, 2022

For and on behalf of the Board of C-Edge Technologies Limited

RAMAKRISHNAN VENKATARAMAN
Director

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MIHIR MISHRA
Director

Dhananjaya Tambe
Chief Executive Officer

AARTI SALEKAR
Company Secretary

ROHINTON PEER
Chief Financial Officer
Mumbai, April 25, 2022

Statement of Cash Flows

(₹ in lakhs)

			Year ended March 31, 2022	Year ended March 31, 2021
I	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit for the year		**7,318.20**	7,221.50
	Adjustments to reconcile profit and loss to net cash provided by operating activities			
	Depreciation and amortisation expense		**2,022.63**	1,623.35
	Tax expense		**2,506.71**	2,453.14
	Bad debts written off, allowance for doubtful trade receivables and advances (net)		**456.84**	265.73
	Interest income		**(919.96)**	(853.00)
	Finance costs		**6 4.05**	39.67
	Operating profit before working capital changes Net change in		**11,448.47**	11,056.51
	Net change in			
	Trade receivables			
	Billed		**1,735.35**	(1,373.88)
	Unbilled		**(883.51)**	1,176.43
	Other financial assets and other assets		**509.56**	574.05
	Trade payables, liabilities and provisions		**(1,421.89)**	287.93
	Unearned and deferred revenues		**195.29**	452.88
	Cash generated from operations		**11,583.27**	12,173.92
	Taxes paid (net of refunds)		**(3,436.12)**	(2,359.45)
	Net cash provided by operating activities		**8,147.15**	9,814.47
II	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Inter-corporate deposits matured		**-**	6,861.99
	Bank deposits matured		**2,000.00**	-
	Bank deposits placed		**(4,595.45)**	(7,600.00)
	Payment for purchase of property, plant and equipment		**(1,204.57)**	(1,554.96)
	Interest received		**451.04**	895.17
	Net cash used in Investing activities		**(3,348.98)**	(1,397.80)
III	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Dividend paid (including tax on dividend in previous year)		**(3,700.00)**	(4,100.00)
	Repayment of lease liabilities		**(264.79)**	(129.16)
	Repayment of finance lease liability		**-**	-
	Interest paid		**(64.05)**	(34.27)
	Net cash used in financing activities		**(4,028.3)**	(4,263.43)
	Net change in cash and cash equivalents		**769.33**	4,153.24
	Cash and cash equivalents at the beginning of the year		**12,840.64**	8,687.40
	Cash and cash equivalents at the end of the year (Refer note 5(b))		**13,609.97**	12,840.64
	Components of cash and cash equivalents		**862.22**	4,020.77
	In current accounts		**12,747.75**	8,819.87
	In deposit accounts		**13,609.97**	12,840.64
IV	**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**	1-22		

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'

Refer note 12(j) for amount spent during the years ended March 31, 2022 and 2021 on construction / acquisition of any asset and other purposes relating to CSR activities.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Jaclyn Desouza
Partner
Membership number : 124629

Mumbai, April 25, 2022

For and on behalf of the Board of C-Edge Technologies Limited

RAMAKRISHNAN VENKATARAMAN
Director

RAVINDRA PANDEY
Director

UJJWAL MATHUR
Director

MIHIR MISHRA
Director

Dhananjaya Tambe
Chief Executive Officer

AARTI SALEKAR
Company Secretary

ROHINTON PEER
Chief Financial Officer
Mumbai, April 25, 2022

Notes forming part of the Financial Statements

1) CORPORATE INFORMATION

C-Edge Technologies Limited (herein referred to as 'the Company') is a subsidiary of Tata Consultancy Services Limited ('TCS' or 'Holding Company') which owns 51% of the equity shares. The balance 49% of the equity shares are owned by State Bank of India ('SBI' or 'Significant Shareholder'). The main objects of the Company are to provide information technology related services and solutions; to develop, procure, license / sublicense and supply computer software and to design, manufacture, procure, supply hardware and to develop, customize and adapt any software for its own use or for the use of multiple users and to provide computer hardware / software maintenance services.

The Company is a public limited company incorporated and domiciled in India. The address of the Corporate office is Nitco Biz Park, 2nd floor, Road No. 16U, Wagle Industrial Estate, Thane (West) - 400 604.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on April 25, 2022.

2) STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time .

3) BASIS OF PREPARATION

These financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair values at the end of each reporting period and employee retirement obligations as explained in the accounting policies below. Historical cost is generally based on fair value of consideration given in exchange of 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 or non current as per the Company's normal operating cycle . Based on the nature of services rendered to customer and time elapsed between deployment of resources and realisation in cash and cash equivalents of the consideration for such a services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The financial statements have been prepared in Indian Rupee ( ) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4) USE OF ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

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b) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

c) Provisions and contingent liabilities

The Company estimates the provisions that have present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

d) Employee benefits

The accounting of employee benefit obligations in nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

e) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirement of Ind AS 116. Identification of a lease require significant judgements. The Company uses significant judgement in assessing the term (including anticipated renewals) and the applicable discount rate

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and the periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

f) Impact of COVID-19

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases . The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5) RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial

Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

6) FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets or 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 assets or financial liability.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another party. On derecognition of a financial asset, the difference between assets carrying amount and the sum of consideration received or receivable or the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents also consists 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 their financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial asset and the contractual terms of the financial assets give rise at specified dates to the cash flows that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit and loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of Financial assets (other than at fair value)

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and all trade receivables that do not constitute a financing transaction. Financial instrument (Ind AS 109) requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance of trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at the 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.

6) (A) TRADE RECEIVABLES

Trade receivables - Billed (unsecured) consist of the following:

Trade receivables - Billed – Non-current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Considered good	**208.23**	354.74
Credit impaired	**329.82**	507.85
Less: Allowance for doubtful trade receivables	**(329.82)**	(507.85)
	208.23	354.74

Above balances of trade receivables include balances with related parties (Refer note 18)

Ageing for trade receivables – non-current outstanding as at March 31, 2022 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables–considered good	-	-	-	**138.51**	**58.31**	**11.41**	**208.23**
Undisputed trade receivables–which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	**254.57**	**62.94**	**12.31**	**329.82**
Disputed trade receivables – considered good *	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk *	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired *	-	-	-	-	-	-	-
	-	-	-	**393.08**	**121.25**	**23.72**	**538.05**
Less: Allowance for doubtful trade receivables - Billed							**(329.82)**
							208.23
Trade Receivables - unbilled							**15.33**
							223.56

* Disputed Trade Receivables pertain to those parties where a legal claim has been filed in any court in India.

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Ageing for trade receivables – non-current outstanding as at March 31, 2021 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables – considered good	-	-	-	**220.81**	**61.47**	**72.46**	**354.74**
Undisputed trade receivables–which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	**354.55**	**124.04**	**29.25**	**507.84**
Disputed trade receivables – considered good *	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk *	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired *	-	-	-	-	-	-	-
	-	-	-	**575.36**	**185.51**	**101.71**	**862.58**
Less: Allowance for doubtful trade receivables - Billed							**(507.84)**
							354.74
Trade Receivables - unbilled							**61.56**
							416.30

* Disputed Trade Receivables pertain to those parties where a legal claim has been filed in any court in India.

Trade receivables - Billed (unsecured) consist of the following:

b) Trade receivables - Billed – Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Considered good	**5,918.55**	7,964.23
Credit impaired	**428.01**	-
Less: Allowance for doubtful trade receivables	**(428.01)**	-
	5,918.55	7,964.23

Above balances of trade receivables include balances with related parties (Refer note 18)

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Ageing for trade receivables – non-current outstanding as at March 31, 2022 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables–considered good	**1,591.22**	**4,082.88**	**244.45**	-	-	-	**5,918.55**
Undisputed trade receivables–which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	**85.62**	**197.36**	**145.03**	-	-	-	**428.01**
Disputed trade receivables – considered good *	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk *	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired *	-	-	-	-	-	-	-
	1,676.84	**4,280.24**	**389.48**	-	-	-	**6,346.56**
Less: Allowance for doubtful trade receivables - Billed							**(428.01)**
							5,918.55
Trade Receivables - unbilled							**1,734.04**
							7,652.59

* Disputed Trade Receivables pertain to those parties where a legal claim has been filed in any court in India.

Ageing for trade receivables – non-current outstanding as at March 31, 2021 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables – considered good	3,355.64	3,643.39-	965.20	-	-	-	7,964.23
Undisputed trade receivables–which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good *	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk *	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired *	-	-	-	-	-	-	-
	3,355.64	3,643.39	965.20	-	-	-	7,964.23
Less: Allowance for doubtful trade receivables - Billed							-
							7,964.23
Trade Receivables - unbilled							804.30
							8,768.53

* Disputed Trade Receivables pertain to those parties where a legal claim has been filed in any court in India.

(b) i Cash and cash equivalents

Cash and cash equi valents consist of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	**862.22**	4,020.77
In deposi t accounts with ori gi nal maturi ty l ess than 3 months	**12,747.75**	8,819.87
	13,609.97	12,840.64

(b) ii Other bank balances with bank

Other bal ances wi th bank consi sts of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Short term bank deposits	**10,195.45**	2,000.00
	10,195.45	2,000.00

(c) Loans

Loans receivable (unsecured) consist of the following :

(₹ in lakhs)

(i) Loans - current	As at March 31, 2022	As at March 31, 2021
Considered good		
(a) Advances to employees	**3.74**	1.22
	3.74	1.22

(d) Other financial assets

Other financial assets consist of the following :

(₹ in lakhs)

(i) Other financial assets - Non - current	As at March 31, 2022	As at March 31, 2021
Security deposits	**78.73**	103.28
Bank deposit more than 12 months	**-**	5,600.00
	78.73	5,703.28
(ii) Other financial assets - current		
(a) Security deposits	**81.47**	64.75
(b) Interest receivable	**665.60**	209.28
	747.07	274.03

(e) Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2022 and March 31, 2021 is as under:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Dues remaining unpaid to any supplier		
Principal	**-**	50.66
beyond the appointed date	**-**	-
Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	**-**	-
Amount of interest accrued and remaining unpaid	**-**	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	**-**	**-**

(f) Trade payables

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(₹ in lakhs)

	Outstanding for following periods from due date of payment						Total
Particulars	Not due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME *	-	-	-	-	-	-	-
Others	339.22	146.17	-	-	-	133.47	618.86
Disputed dues - MSME * •	-	-	-	-	-	-	-
Disputed dues - Others •	-	-	-	-	-	-	-
	339.22	146.17	-	-	-	133.47	618.86
Accrued expenses			-	-	-		3,241.91
			-	-	-		3,860.77

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

* Disputed Trade Receivables pertain to those parties where a legal claim has been filed in any court in India.

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

(₹ in lakhs)

	Outstanding for following periods from due date of payment						Total
Particulars	Not due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME *	-	32.28	-	-	-	18.38	50.66
Others	287.95	456.76	-	-	-	142.04	886.75
Disputed dues - MSME * •	-	-	-	-	-	-	-
Disputed dues - Others •	-	-	-	-	-	-	-
	287.95	489.04	-	-	-	160.42	937.41
Accrued expenses			-	-	-		3,697.29
			-	-	-		4,634.70

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

** Includes payables to MSME vendors.

* Disputed Trade Receivables pertain to those parties where a legal claim has been filed in any court in India.

(g) Other financial liabilities

Other financial liabilities consists of the following :

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Other financial liabilities - current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(a) Accrued payroll	**17.17**	101.92
(b) Capital creditors	**-**	252.57
	17.17	354.49

(h) Financial instruments by category

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 6 to the financial statements.

The carrying value of financial instruments by categories as of March 31, 2022 is as follows :

(₹ in lakhs)

	Fair value through Profit and Loss	Amortised cost	Total carrying value
Financial assets			
Cash and cash equivalents	**-**	**13,609.97**	**13,609.97**
Trade receivables			
Billed		**6,126.78**	**6,126.78**
Unbilled	**-**	**1,749.37**	**1,749.37**
Deposits	**-**	**10,195.45**	**10,195.45**
Loans	**-**	**3.74**	**3.74**
Other financial assets		**825.80**	**825.80**
Total	**-**	**26,384.33**	**26,384.33**
Financial liabilities			
Trade and other payables	**-**	**3,860.77**	**3,860.77**
Lease liabilities		**892.22**	**892.22**
Other financial liabilities	**-**	**17.17**	**17.17**
Total	**-**	**4,770.16**	**4,770.16**

The carrying value of financial instruments by categories as of March 31, 2021 is as follows :

(₹ in lakhs)

	Fair value through Profit and Loss	Amortised cost	Total carrying value
Financial assets			
Cash and cash equivalents	-	12,840.64	12,840.64
Trade receivables	-	8,318.97	8,318.97
Billed			
Unbilled receivables	-	865.86	865.86
Loans*	-	1.22	1.22
Other financial assets	-	5,977.31	5,977.31
Total	-	28,004.00	28,004.00
Financial liabilities			
Trade and other payables	-	4,634.70	4,634.70
Lease liabilities	-	1,157.01	1,157.01
Other financial liabilities	-	354.49	354.49
Total	-	6,146.20	6,146.20

Measurement of fair value

The management assessed the fair values of cash and cash equivalents, trade receivables, unbilled receivables, loan receivables, other financial assets, trade payable and other financial liabilities at their carrying amounts due to short term maturities of these instruments.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The financial assets & liabilities of the company come under Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(i) Financial risk management

The Company is exposed primarily to credit, liquidity and interest rate risk which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of the Board is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

a) Interest rate risk

The Company investments are primarily in fixed rate interest bearing investments. Hence the company is not significantly exposed to interest rate risk.

b) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivable and other financial assets.

The Company's exposure to customers is diversified and there are no customers other than the Holding Company and the Significant Shareholder who contribute to more than 10% of outstanding trade receivables as at March 31, 2022 and March 31, 2021. None of the other financial instruments of the Company result in material concentration of credit risk.

The Company has a geographic concentration of trade receivables, net of allowances in India.

c) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at :

(₹ in lakhs)

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
March 31, 2022					
Trade and other payables	**3,860.77**	**-**	**-**	**-**	**3,860.77**
Lease liabilities	**287.24**	**261.27**	**4 38.95**	**-**	**987.46**
Other financial liabilities	**17.17**	**-**	**-**	**-**	**17.17**
	4,165.18	**261.27**	**438.95**	**-**	**4,865.40**
March 31, 2021					
Trade and other payables	4,634.70	-	-	-	4,634.70
Lease liabilities	327.35	287.24	535.62	164.61	1,314.82
Other financial liabilities	354.49	-	-	-	354.49
	5,316.54	287.24	535.62	164.61	6,304.01

d) Foreign currency exchange rate risk

The Company's exposure to foreign currency risk is not material.

(j) Equity instrument

The authorised, issued, subscribed and fully paid-up share capital comprises of :

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(a) Authorised :		
4,00,00,000 equity shares of ₹ 10 each (March 31, 2021 : 4,00,00,000 equity shares of ₹ 10 each)	**4,000.00**	4,000.00
	4,000.00	4,000.00
(b) Issued, subscribed and paid up:		
1,00,00,000 equity shares of ₹ 10 each (March 31, 2021 : 1,00,00,000 equity shares of ₹ 10 each)	**1,000.00**	1,000.00
	1,000.00	1,000.00

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.

i) Reconciliation of number of shares

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	**Amount (₹ lakhs)**	No. of shares	Amount (₹ lakhs)
Equity shares				
Opening balance	**1,00,00,000**	**1,000.00**	1,00,00,000	1,000.00
Issued during the year	**-**	**-**	-	-
Closing balance	**1,00,00,000**	**1,000.00**	1,00,00,000	1,000.00

ii) Rights, preferences and restrictions attached to shares

Equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Equity shares

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	**Holding**	**No. of shares**	**Holding**
Tata Consultancy Services Limited (holding company)	**51,00,000**	**51%**	51,00,000	51%
State Bank Of India (significant shareholder)	**49,00,000**	**49%**	49,00,000	49%

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iv) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

	Shares held by promoters at the end of the year			% Change during the year
Sr. no.	Promoter name	No. of shares	% of total shares	
1	Tata Consultancy Services Limited (holding company)	**51,00,000**	**51%**	-
2	State Bank Of India (significant shareholder)	**49,00,000**	**49%**	-
	Total	**1,00,00,000**	**100**	-

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

	Shares held by promoters at the end of the year			% Change during the year
Sr. no.	Promoter name	No. of shares	% of total shares	
1	Tata Consultancy Services Limited (holding company)	**51,00,000**	**51%**	-
2	State Bank Of India (significant shareholder)	**49,00,000**	**49%**	-
	Total	**1,00,00,000**	**100**	-

(k) Other equity

Other equity consist of the following :

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(i) Retained earnings		
Opening balance	**26,685.75**	23,552.13
(ii) Profit for the year	**7,318.20**	7,221.50
(iii) OCI Impact and remeasurement of defined employee benefit plans	**(42.76)**	12.12
(iv) Appropriation :		
(v) Less :		
(a) Dividend on equity shares	**(3,700.00)**	(4,100.00)
	30,261.19	26,685.75

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7) LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 16 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.

The details of the right-of-use asset held by the Company is as follows:

(₹ in lakhs)

	Additions for the year ended March 31, 2022	Net carrying amount as at March 31, 2022
Buildings	-	**901.69**
	-	**901.69**

(₹ in lakhs)

	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Buildings	1,216.39	1,216.84
	1,216.39	1216.84

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

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Buildings	**315.15**	**173.24**
	315.15	**173.24**

Interest on lease liabilities is ₹ 62.56 lakhs and ₹ 39.67 lakhs for the year ended March 31, 2022 and March 31, 2021 respectively.

The Company incurred ₹ 4.00 lakhs and ₹ 241.63 lakhs for the year ended March 31, 2022 and March 31, 2021 respectively towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 331.35 lakhs and ₹ 405.06 lakhs for the year ended March 31, 2022 and March 31, 2021 respectively , including cash outflow for short term and low value leases.

Lease contracts entered by the Company majorly pertains for premises taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitments towards variable rent as per contract.

8) NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

(a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Cost of an item of property, plant and equipment comprises of its purchases price including non refundable taxes, after deducting trade discount and any directly attributable cost of bringing the item to its working condition for its intended use. Depreciation is provided for property, plant and equipment on 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 value 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 life
Office equipment	5 - 10 years
Buildings (Leasehold)	Lease term
Furniture and fixtures	5 years
Computers	4 years
Leasehold improvements	Lease term

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Property, plant and equipment with finite life are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Property, plant and equipment

Property, plant and equipment consist of the following:

(₹ in lakhs)

Description	Gross block as at April 1, 2021	Additions	Disposals	Gross block as at March 31, 2022	Accumulated depreciation as at April 1, 2021	Depreciation for the year	Depreciation on disposals	Accumulated depreciation as at March 31, 2022	Net carrying amount as at March 31, 2022	Net carrying amount as at March 31, 2021
Computer equipment	10,343.67	1,112.31	-	11,455.98	(7,057.32)	(1,625.96)	-	(8,682.28)	2,773.70	3,286.35
Office equipment	209.79	59.54	-	269.33	(93.82)	(25.72)	-	(119.54)	149.79	115.97
Furniture and fixtures	111.45	-	-	111.45	(88.55)	(10.80)	-	(99.35)	12.10	22.90
Leasehold Improvements	183.98	24.15	-	208.13	(83.80)	(46.00)	-	(129.80)	78.33	100.18
Total	**10,848.89**	**1,196.00**	**-**	**12,044.89**	**(7,323.49)**	**(1,707.48)**	**-**	**(9,030.97)**	**3,013.92**	**3,525.40**

* ₹ 1196.00 lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2022.

Description	Gross Block as at April 1, 2020	Additions	Disposals	Gross block as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the year	Depreciation on disposals	Accumulated depreciation as at March 31, 2021	Net carrying amount as at March 31, 2021	Net carrying amount as at March 31, 2020
Computers	8,872.56	1,471.11	-	10,343.67	(5,672.64)	(1,384.68)	-	(7,057.32)	3,286.35	3,199.92
Office equipment	183.33	26.46	-	209.79	(73.03)	(20.79)	-	(93.82)	115.97	110.30
Furniture and fixtures	110.64	0.81	-	111.45	(76.62)	(11.93)	-	(88.55)	22.90	34.02
Leasehold Improvements	118.83	65.15	-	183.98	(51.09)	(32.71)	-	(83.80)	100.18	67.74
Total	9,285.36	1,563.53	-	10,848.89	(5,873.38)	(1,450.11)	-	(7,323.49)	3,525.40	3,411.98

* ₹ 1,563.53 lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.

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Capital work-in-progress

Capital work-in-progress ageing

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

(₹ in lakhs)

	Outstanding for following periods from due date of payment				Total
Capital work-in-progress ageing	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

(₹ in lakhs)

	Outstanding for following periods from due date of payment				Total
Capital work-in-progress ageing	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Projects in progress	**244.00**	-	-	-	**244.00**
Projects temporarily suspended	-	-	-	-	-
	244.00	-	-	-	**244.00**

*(b) **Other assets**

Other assets consist of the following :

(i) Other assets - non-current

(₹ in lakhs)

Considered good	**As at March 31, 2022**	**As at March 31, 2021**
(a) Contract fulfillment cost *	**282.73**	601.74
(b) Balance with Government Authorities **	**91.31**	30.44
(c) Prepaid expenses	**6.80**	4.51
	380.84	636.69

** Amount deposited with Appellate Tribunal in respect of Goods & Service Tax (GST) matter.

(ii) Other assets - current

(₹ in lakhs)

Unsecured, considered good	**As at March 31, 2022**	**As at March 31, 2021**
(a) Contract fulfillment cost *	**458.44**	622.25
(b) Prepaid expenses	**288.49**	107.76
(c) Indirect taxes recoverable	**795.36**	1,044.38
(d) Advance to suppliers	**3.40**	20.00
	1,545.69	1,794.39

* Contract fulfillment costs of ₹ 986.85 lakhs and ₹ 832.10 lakhs for the years ended March 31, 2022 and 2021, respectively, have been amortized in the statement of profit and loss.

(c) Other liabilities

Other liabilities consists of the following :

(i) Other liabilities - current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Advance received from customers	**7.11**	88.66
Indirect taxes payable and other statutory liabilities	**735.68**	1,251.21
	742.79	1,339.87

9) REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services and business solutions.

The Company's contracts with customers could include commitment to transfer multiple products and services to a customer. The Company assesses the products / services committed in a contract and identifies distinct performance obligations in the contract including whether a performance obligation is satisfied at a point in time or over a period of time. Judgement is required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. . 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 each reporting period.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue from ASP (Applications Service Provider) platforms are recognized as the services are performed and amount earned. Revenue is recongnised on a time elapsed mode and revenue is straight lined over the period of performance. Amounts are considered to be earned once evidence of an agreement or contractual arrangement has been obtained, services are delivered and collectability is reasonably assured.
- Revenue from the supply of third party equipment or software is recognized at the point in time when control is transferred to the customer net of applicable taxes and duties.

Contract fulfilment costs

Contract fulfilment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalisation. Such costs are amortized over the contractual period or useful life of the license 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.

Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue excludes taxes collected from customers.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The Company disaggregates revenue from contracts with customers by industry verticals and nature of services.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Significant shareholder, along with it's Regional Rural Banks, and the Holding Company contributes 41% (41% : March 2021) and 26% (28% : March 31, 2021) of the company's total revenue for year ended March 31, 2022, respectively.

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Other income comprises of interest income for financial instruments namely bank and corporate deposits measured at amortised cost which is recorded on accrual basis.

Revenue from operations

The Company generates revenue from consultancy services and sale of equipment to the Banking, Financial Services and Insurance (BFSI) sector in India.

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Information technology and consultancy services	**32,413.72**	29,900.67
(b) Sale of equipment	**237.73**	405.45
	32,651.45	30,306.12

The Company has applied practical expedient of not disclosing the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

The Company does not have any contract assets.

Movement in contract liabilities is given below:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	**1,715.33**	1,262.45
Less : Revenue recognised that was included in contract liability balance at the beginning	**(858.12)**	(798.36)
Add : Increase due to invoicing during the year, excluding amounts recognised as revenue	**1,053.41**	1,251.24
Closing balance	**1,910.62**	1,715.33

For the current year, the revenue recongnised in the statement of profit and loss equals to the contracted price.

10) OTHER INCOME

Other income (net) consist of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Interest income	**908.04**	809.67
(b) Others	**19.19**	43.33
	927.23	853.00
Interest income comprises :		
Interest on bank deposits	**908.04**	421.64
Interest on financial asset carried at amortised cost	**-**	330.94
Interest revenue - Income tax refunds	**-**	5 7.09
Others income comprises :		
Interest on unwinding of security deposits	**11.92**	43.33
Others	**7.27**	-

11) EMPLOYEE BENEFITS

i) 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 recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has 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.

ii) Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

When the benefilts of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service 'past service cost' or 'past service gain' or the gain or loss on curtailment is recognised immediately in profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii) Defined contribution plan

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

iv) Other employee benefit obligations

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

i) Employee benefit expenses consist of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Salaries, Incentives and allowances	**5,612.26**	5,151.52
(b) Contribution to provident and other funds	**240.77**	236.66
(c) Staff welfare expenses	**149.83**	96.08
	6,002.86	5,484.26

Employee benefit obligation consist of the following :

(ii) (a) Employee benefit obligations - non current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Gratuity Liability	**57.37**	227.74
	57.37	227.74

(ii) (b) Employee benefit obligations - current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Gratuity Liability	**246.46**	45.07
Other employee benefit obligations	**152.99**	107.38
	399.45	152.45

Employee benefit plans consists of the following :

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i) Defined contribution plans

Provident fund

In accordance with Indian law, the Company's employees are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly.

These are plans in which the Company pays pre-defined amounts to separate funds (provident fund and pension fund) and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund covers substantially all regular employees. While both, the employee and the Company pay predetermined contributions into the provident fund, contribution into the family pension fund are made by only the Company. The contribution is based on certain proportion of employee's salary. Contributions to Provident Fund are made to The Regional Provident Fund Commissioner for qualifying employees.

The Company contributed ₹ 191.65 lakhs (March 31, 2021 : ₹ 176.27 lakhs) for provident fund during the year ended March, 31 2022.

Gratuity

In accordance with Indian law, the Company operate a scheme of Gratuity which is a defined benefit plan and is wholly unfunded. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continous years of service.

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

The following table sets out the details of the defined benefit retirement plans and the amount recognised in the financial statements :

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Change in benefit obligations		
Benefit obligations, beginning of the year	**272.81**	262.08
Service cost	**29.73**	33.57
Interest cost	**15.00**	17.02
Benefits paid	**(70.85)**	(23.66)
Actuarial (Gains) / losses recognized in OCI	**57.14**	(16.20)
Benefit obligations, end of the year	**303.83**	272.81
Service cost	**29.73**	33.57
Net interest on net defined benefit (assets)/liabilities	**15.00**	17.02
Net periodic gratuity cost	**44.73**	50.59

The Company has no plan assets.

The assumptions used in accounting for the defined benefit plan are set out below :

Discount rate	**5.75%**	5.50%
Salary escalation rate	**5.00%**	4.00%
Mortality Rate	**Indian Assured Lives Mortality (2012-14)**	Indian Assured Lives Mortality (2006-08)

Future mortality assumptions are taken based on the published statistics by the Insurance Regulatory and Development Authority of India.

Attrition rate

i) If Services < = 5 years	**41.30%**	38.61%
ii) If Services > 5 years	**17.85%**	9.73%

Remeasurement of net defined benefit liability / (asset)

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial (gains) and losses arising from changes in demographic assumptions	**9 .98**	1.72
Actuarial (gains) and losses arising from changes in financial assumptions	**8 .67**	(17.58)
Actuarial (gains) and losses arising from changes in experience adjustments	**38.49**	(0.34)
Remeasurement of net defined benefit liability / (asset)	**57.14**	(16.20)

The expected benefits are based on the same assumptions as used to measure the Company's defined benefit obligations as at March 31, 2022.

Remeasurement (gain) / loss of the defined benefit obligation of ₹ 57.14 lakhs and ₹ (16.20) lakhs for the years ended March 31, 2022 and March 31, 2021 has been accounted in other comprehensive income.

The significant actuarial assumptions for determination of defined benefit obligation are the discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the period, while holding all other assumptions constant.

If the discount rate increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Increase of 0.50%	**(5.73)**	(7.90)
Decrease of 0.50%	**6.00**	8.42

If the expected salary growth increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Increase of 0.50%	**6.01**	8.50
Decrease of 0.50%	**(5.80)**	(8.05)

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

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The defined benefit obligations shall mature after year ended March 31, 2022 as follows :

(₹ in lakhs)

Year ending March 31,	Defined benefit obligation
2023	**57.37**
2024	**48.90**
2025	**44.27**
2026	**35.90**
2027	**30.96**
2028 to 2032	**103.36**

12) COST RECOGNITION

Cost and expenses are recognised when incurred and have been classified according to their nature.

The costs of the company are broadly categorised in employee benefit expenses, other expenses and depreciation and amortisation. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other expenses majorly include fees to external consultants, commission expenses, cost of facility running, communication expenses, allowance for doubtful trade receivables and other expenses.

Other expenses consist of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Fees to external consultants	**1,221.39**	1,357.63
(b) Software and material costs	**5,439.48**	4,505.57
(c) Communication expenses	**6,643.09**	6,613.61
(d) Travelling and conveyance expenses	**28.09**	19.44
(e) Facility and hosting charges	**512.46**	786.02
(f) Repairs and maintenance	**276.35**	153.57
(g) Electricity expenses	**82.26**	111.61
(h) Bad debts written off, allowance for trade receivable and advance (net)	**908.16**	306.12
(i) Security charges	**45.35**	46.91
(j) Corporate Social Responsibility*	**205.69**	224.39
(k) Others (includes Auditor's remuneration referred to in note 12)	**301.91**	212.33
	15,664.23	14,337.20

Corporate Social Responsibility (CSR) expenditure

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent by the company during the year	**205.69**	195.82
Amount of expenditure incurred on :		
(i) Construction/acquisition of any asset	**162.58**	146.89
(ii) On purposes other than (i) above	**43.11**	77.50
Excess / (Shortfall) at the end of the year	**-**	28.57
Total of previous years shortfall	**-**	-

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(₹ in lakhs)

Nature of CSR activities	Education, Skilling, Health, Sanitation and Hygiene	
Details of related party transactions	**-**	-
Movements in provision made with respect to a liability incurred by entering into a contractual obligation	**-**	-

13) AUDITOR'S REMUNERATION

(₹ inlakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Auditor	**5.90**	5.90
For other services	**2.36**	2.36
For reimbursement of out-of-pocket expenses	**0.33**	0.33
	8.59	8.59

Inclusive of indirect taxes input credit has been / will be availed.

14) FINANCE COST

Finance costs consist of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense	**64.05**	39.67
	64.05	39.67

15) INCOME TAXESS

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

i) Current income taxes

Current tax is measured based on taxable profit for the year and is computed in accordance with the Income Tax Act, 1961 using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after offsetting advance taxes paid and income tax provisions arising in the same tax jurisdictions.

ii) Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax labilities and assets and the Company can settle current tax labilities and assets on a net basis.

The income tax expense consists of the following:

Income tax recognised in the statement of profit and loss

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax:		
Current tax expense for current year	**2,698.62**	2,617.46
Current tax expense pertaining to prior years	**(41.72)**	(26.94)
	2,656.90	2,590.52
Deferred tax expense / (benefit)	**(150.19)**	(137.38)
Total income tax expense recognised in the current year	**2,506.71**	2,453.14
Income tax expense recognised in OCI		
Deferred tax on remeasurement of defined employee benefit plan.	**14.38**	(4.08)

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit or loss is as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before taxes	**9,824.91**	9,674.64
Indian statutory income tax rate	**25.170%**	25.170%
Expected income tax expense	**2,472.93**	2,435.11
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
(a) Current tax expense pertaining to prior years	**(41.72)**	(26.94)
(b) Disallowance under section 37		
(i) CSR expenses	**51.60**	56.48
(c) Lower rate on capital gains tax	**-**	-
(d) Other permanent differences	**-**	-
(e) Difference due to tax rate change	**-**	-
(f) Finance lease liability revrsal	**-**	-
(g) Others (net)	**23.90**	(11.51)
Total income tax expense	**2,506.71**	2,453.14

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

(₹ in lakhs)

	Opening balance	Recognised / (reversed) through statement of profit and loss	Recognised in/ reclassified from other comprehensive income	Recognised in/ reclassified from retained earnings	Closing balance
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment	**(196.56)**	**94.13**	**-**	**-**	**(102.43)**
Lease obligations	**15.44**	**5.49**	**-**	**-**	**20.93**
Provision for Employee benefit	**114.39**	**(12.35)**	**14.38**	**-**	**116.42**
Provision for receivables, loans and advances	**127.83**	**62.92**	**-**	**-**	**190.75**
Total deferred tax assets / (liabilities)	**61.10**	**150.19**	**14.38**	**-**	**225.67**

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at March 31, 2022	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment	-	(102.43)	(102.43)
Lease obligations	20.93	-	20.93
Provision for Employee benefit	116.42	-	116.42
Provision for receivables, loans and advances	190.75	-	190.75
Net deferred tax assets / (liabilities)	328.10	(102.43)	225.67

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(₹ in lakhs)

	Opening balance	Recognised / (reversed) through statement of profit and loss	Recognised in/ reclassified from other comprehensive income	Recognised in/ reclassified from retained earnings	Closing balance
Deferred tax assets/ (liabilities) in relation to:					
Property, plant and equipment	(245.30)	48.74	-	-	(196.56)
Finance lease obligations	11.43	4.01	-	-	15.44
Provision for Employee benefit	100.71	17.76	(4.08)	-	114.39
Provision for receivables, loans and advances	60.95	66.88	-	-	127.83
Total deferred tax assets / (liabilities)	(72.21)	137.39	(4.08)	-	61.10

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at March 31, 2021	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment	-	(196.56)	(196.56)
Finance lease obligations	15.44	-	15.44
Provision for Employee benefit	114.39	-	114.39
Provision for receivables, loans and advances	127.83	-	127.83
Net deferred tax assets / (liabilities)	257.66	(196.56)	61.10

16) 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 Company's chief operating decision maker is the Chief Executive Officer.

The Company has been operating largely in one business segment viz. Banking, Financial Services and Insurance (BFSI). The activities of the Company are conducted only in one geographic segment viz India. Therefore, the disclosure requirements of the Ind AS 108 on "Segment Reporting" are not applicable.

17) COMMITMENTS AND CONTINGENCIES

The company has contractually comitted (net of advances) ₹ 895.17 lakhs as at March 31, 2022 (March 31, 2021 : ₹ 102.51 lakhs) for purchase of property, plant and equipment.

Contingencies

Indirect tax matters

The Company has received a demand notice from the Office of the Commissioner of Goods and Service Tax dated September 03, 2020 demanding ₹ 304.38 lakhs which the Company has claimed as transition benefits u/s 140 of the Central Goods and Service Tax Act, 2017. The Company has filed an appeal before the Appellate Authority after making payment of 10% of the confirmed demand, i.e. ₹ 30.44 lakhs.

Since the Appellate Authority has upheld the base demands, consequential interest and penalties have also been upheld via order in appeal dated April 05, 2021, the next recourse available to the company is to file an appeal within three months of constitution of the Appellate Tribunal, as also clarified by CBIC vide Circular 132/2/2020 – GST dated 18.03.2020.

However, in view of non-constitution of the GST Appellate Tribunal, company is unable to file the appeal as on date. Company has complied with the pre-deposit requirement u/s 112 (9) of the CGST Act, 2017 and made further payment of ₹ 60.88 lakhs. The total deposit paid by the company is ₹ 91.31 lakhs.

18) RELATED PARTY DISCLOSURES

The Company's material related party transactions and outstanding balances are with its Holding Company and Significant Shareholder with whom the Company routinely enters into transactions in the ordinary course of business.

a) Related parties and their relationship

Ultimate Holding Company	Tata Sons Private Limited
Holding Company	Tata Consultancy Services Limited
Significant shareholder	State Bank of India
Key Management Personnel	Jambunathan Narayanan - Chief Executive Officer (till May 31, 2021)
	Dhananjaya Tambe - Chief Executive Officer (w.e.f June 01, 2021)
	Rahul Kulkarni - Chief Executive Officer Designate (w.e.f February 21, 2022)*
	Rohinton Peer - Chief Financial Officer*

b) Transactions with the related parties

Transactions with related parties are as follows:

For the year ended March 31, 2022 and March 31, 2021

Particulars	Holding Company	Significant shareholder	Key Management Personnel*	Total
i) Revenues from operation	**8,473.80**	**1,197.82**	**-**	**9,671.62**
	8,607.60	*531.73*	-	*9,139.33*
ii) Managerial remuneration	**-**	**-**	**121.16**	**121.16**
	-	-	*124.30*	*124.30*
iii) Other operating expenses	**1,463.93**	**-**	**-**	**1,463.93**
	1,532.91	-	-	*1,532.91*
iv) Interest income	**-**	**356.06**	**-**	**356.06**
	-	*280.64*	-	*280.64*
v) Dividend paid	**1,887.00**	**1,813.00**	**-**	**3,700.00**
	2,091.00	*2,009.00*	-	*4,100.00*

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c) Balances with related parties

As at March 31, 2022 and March 31, 2021

(₹ in lakhs)

Particulars	Holding Company	Significant shareholder	Key Management Personnel*	Total
1 Trade payables	**517.33**	**-**	**23.88**	**541.21**
	943.87	*-*	*30.06*	*973.93*
2 Trade receivables	**4,082.49**	**160.25**	**-**	**4,242.74**
	4,579.92	*482.28*	*-*	*5,062.20*
3 Balances with bank	**-**	**13,609.97**	**-**	**13,609.97**
	-	*12,840.64*	*-*	*12,840.64*
4 Unearned and deferred revenues	**73.74**	**-**	**-**	**73.74**
	171.74	*-*	*-*	*171.74*
5 Interest Receivable	**-**	**86.98**	**-**	**86.98**
	-	77.62	-	77.62

* The Chief Executive Officer Designate and Chief Financial Officer of the Company are on deputation and draw remuneration from Tata Consultancy Services Limited. Service charges are payable by the Company to Tata Consultancy Services Limited.

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

Figures in italics in the above tables pertains to March 31, 2021.

19) EARNING PER SHARE (EPS)

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

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the year (₹ in lakhs)	**7 ,318**	7,222
Weighted average number of equity shares	**10,000,000**	10,000,000
Earning per share basic and diluted (₹)	**7 3.18**	72.22
Face value per equity share (₹)	**10**	10

20) 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 has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and 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.

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21) ADDITIONAL REGULATORY INFORMATION

Ratios

(₹ in lakhs)

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% variance	Reason for variance
Current ratio (in times)	Total current assets	Total current liabilities	4.81	3.12	54.17%	Increase in current ratio is due to increase in urrent asset pertaining to Other cash balances with bank
Debt service coverage ratio (in times)	Earning for Debt Service = Profit after tax + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	27.32	51.02	46.45)%	Decrease due to increase lease payments on account of new lease agreements entered
Return On equity ration (in %)	Profit for the year	Average total equity	24.83%	27.65%	(2.82)%	
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	3.83	3.23	18.58%	
Trade payables turnover ratio (in times)	Cost of equipment andsoftware licences + Other expenses	Average trade payables	3.69	3.04	21.38%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (ie. Total current assets less Total current liabilities	1.48	1.60	(7.50)%	
Net profit ratio (in %)	Profit for the year	Revenue from operations	22.41%	23.83%	(1.42)%	
Return on capital employed (in %)	Profit before tax and finance cost	Capital employed = Tangible net worth + Total debt + Deferred tax liabilitiesTangible net worth + Total debt + Deferred tax liabilities	30.77%	33.61%	(2.84)%	
Return on investments (in %)	Income generated from invested funds	Average invested funds	4.06%	5.09%	(1.03)%	

22) SUBSEQUENT EVENT

Dividend paid during the year ended March 31, 2022 pertains to final dividend for the year ended March 31, 2021.

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Accordingly the Retained Earnings reported in these financial statements may not be fully distributable. As at March 31, 2022, income available for distribution were ₹ 30261.19 lakhs. On April 25, 2022 the Board of Directors of the Company have proposed a final dividend of ₹ 37.00 per equity share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 3700.00 lakhs.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number : 101248W/W-100022

Jaclyn Desouza
Partner
Membership number : 124629

Mumbai, April 25, 2022

For and on behalf of the Board of C-Edge Technologies Limited

RAMAKRISHNAN VENKATARAMAN
Director

RAVINDRA PANDEY
Director

UJJWAL MATHUR
Director

MIHIR MISHRA
Director

Dhananjaya Tambe
Chief Executive Officer

AARTI SALEKAR
Company Secretary

ROHINTON PEER
Chief Financial Officer
Mumbai, April 25, 2022

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MAHAONLINE LIMITED

(CIN: U72900MH2010PLC206026)

FINANCIAL STATEMENTS

For the year ended
March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHAONLINE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MahaOnline Limited (hereinafter referred to as "the Company"), which comprise the balance Sheet as at 31 March 2022, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

ii) (A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 19 to the financial statements.

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the note 23 to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 23 to the accounts no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

(e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

According to the information and explanations given to us, no remuneration has been paid by the Company to any of its directors. Accordingly, provisions of Section 197 of the Act relating to remuneration to directors are not applicable.. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
UDIN: 22130778AIUDVF1382

Mumbai
11 May 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHAONLINE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified every year. In accordance with this programme, all Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering information technology related solution . Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to one company during the year, details of the loan is stated in sub-clause (a) below. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.

(a) The Company does not have any subsidiaries. Accordingly, clause 3(iii)(a) A of the Order is not applicable.

Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to other party as below:

Particulars	**Amount (Rs. in Lakhs)**
	Carrying amount
Aggregate amount during the year – Others	1,344.83
Balance outstanding as at balance sheet date – Others	1,344.83

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST. As explained to us, the Company did not have any dues of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, , Cess and other material statutory dues have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, , Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Goods and Service Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Name of Statue	Nature of the Dues	Amount (₹ in Lakhs)	Period	Forum where dispute is pending
Income-tax Act, 1961	Income tax	12.95	Assessment Year 2017-18	Commissioner of Income-tax (Appeals)
		0.75	Assessment Year - 2012-13 and 2013-14	Assessing Officer
Maharashtra Value Added Tax Act. 2002	Value Added Tax	18.61	Financial Year - 2013-2014	Assistant Commissioner of Sales Tax

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
UDIN: 22130778AIUDVF1382

Mumbai
11 May 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHAONLINE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of MahaOnline Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
UDIN: 22130778AIUDVF1382

Mumbai
11 May 2022

Balance Sheet

(₹ in lakhs)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	8(a)	**32.40**	56.58
Right-of-use assets	7	**8.70**	14.28
Intangible Assets	8(b)	**-**	-
Financial assets			
Other financial assets	6(f)	**1,504.95**	4,036.87
Trade Receivables			
Billed	6(b)	**-**	-
Income-tax assets (net)		**665.90**	617.24
Deferred tax assets (net)	15	**140.80**	150.30
Other assets	8(b)	**5.55**	14.68
Total non-current assets		**2,358.30**	4,889.95
Current assets			
Financial assets			
Investments	6(a)	**3,356.16**	3,925.40
Trade receivables			
Billed	6(b)	**2,912.01**	3,831.18
Cash and cash equivalents	6(c)	**396.49**	4,710.06
Other balances with banks	6(d)	**2,661.46**	811.16
Loans	6(e)	**1,344.83**	1,291.00
Other financial assets	6(f)	**268.57**	260.54
Other assets	8(b)	**80.13**	124.29
Total current assets		**11,019.65**	14,953.63
TOTAL ASSETS		**13,377.95**	19,843.58
EQUITY AND LIABILITIES			
Equity			
Share capital	6(l)	**255.27**	255.27
Other equity	9	**7,739.89**	7,917.96
Total Equity		**7,995.16**	8,173.23
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		**119.08**	314.39
Other financial liabilities	6(h)	**42.70**	42.70
Employee benefit obligations	12	**3.20**	13.16
Unearned and deferred revenue	10	**35.64**	46.73
Total non-current liabilities		**200.62**	416.98
Current liabilities			
Financial liabilities			
Lease liabilities		**195.30**	242.54
Trade payables			
Dues of micro enterprises and small enterprises	6(g)	**-**	-
Dues of creditors other than micro enterprises and small enterprises	6(g)	**1,844.44**	3,541.22
Other financial liabilities	6(h)	**3,012.53**	7,250.47
Unearned and deferred revenue	10	**11.52**	-
Other liabilities	8(c)	**98.84**	211.87
Employee benefit obligations	12	**4.21**	7.27
Income tax liabilities (net)		**15.33**	-
Total current liabilities		**5,182.17**	11,253.37
TOTAL EQUITY AND LIABILITIES		**13,377.95**	19,843.58
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-24		

As per our report of even date attached

For and on behalf of the Board
CIN: U72900MH2010PLC206026

For B S R & Co. LLP
Chartered Accountants
Firm's registration no.101248W/W-100022

Lakshminarayanan G S
Director
Din No: 07982712

Chaitanya Sathe
Director
Din No: 06942922

Rajesh Shetty
Partner
Membership No: 130778
Mumbai, May 11, 2022

Shanti Nair
Chief Operating Officer

Krupa Sutaria
Company Secretary
Membership No: A28764

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Statement of Profit and Loss

(₹ in lakhs)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	10	**275.73**	3,533.06
Other income	11	**465.05**	512.89
TOTAL INCOME		**740.78**	4,045.95
Expenses			
Employee benefit expenses	12	**121.60**	249.30
Depreciation	7,8(a)	**29.79**	159.61
Other expenses	13(a)	**359.49**	3,164.72
Finance costs	14	**22.34**	13.76
TOTAL EXPENSES		**533.22**	3,587.39
PROFIT BEFORE TAX		**207.56**	458.56
Tax expense			
Current tax	15	**50.71**	108.99
Deferred tax	15	**9.62**	24.00
TOTAL TAX EXPENSE		**60.33**	132.99
PROFIT FOR THE YEAR		**147.23**	325.57
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		**(0.46)**	0.91
Income tax on items that will not be reclassified subsequently to profit or loss		**0.12**	(0.23)
TOTAL OTHER COMPREHENSIVE (LOSSES)/INCOME		**(0.34)**	0.68
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**146.89**	326.25
Earnings per equity share- Basic and diluted (₹)	16	**5.77**	12.75
Weighted average number of equity shares		**2,552,705**	2,552,705
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-24		

As per our report of even date attached

For and on behalf of the Board
CIN: U72900MH2010PLC206026

For B S R & Co. LLP
Chartered Accountants
Firm's registration no.101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
Mumbai, May 11, 2022

Lakshminarayanan G S
Director
Din No: 07982712

Shanti Nair
Chief Operating Officer

Chaitanya Sathe
Director
Din No: 06942922

Krupa Sutaria
Company Secretary
Membership No: A28764

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as on April 1, 2021	Changes in equity share capital due to prior period erros	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at March 31, 2022
255.27	-	-	-	255.27

(₹ in lakhs)

Balance as on April 1, 2020	Changes in equity share capital due to prior period erros	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at March 31, 2021
255.27	-	-	-	255.27

*Refer note 6(l)

B. OTHER EQUITY

Other equity consist of the following:

(₹ in lakhs)

	Reserves and surplus	
	Retained earnings	Total Equity
Balance as at April 1, 2021	7,917.96	7,917.96
Profit for the year	147.23	147.23
Other comprehensive income	(0.34)	(0.34)
Total comprehensive income	146.89	146.89
Dividend	324.96	324.96
Balance as at March 31, 2022	7,739.89	7,739.89
Balance as at April 1, 2020	7,591.71	7,591.71
Profit for the year	325.57	325.57
Other comprehensive income	0.68	0.68
Total comprehensive income	326.25	326.25
Balance as at March 31, 2021	7,917.96	7,917.96

Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

Loss of ₹ (0.34) lakhs and Gain of ₹ 0.68 lakhs on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended March 31, 2022 and 2021, respectively.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-24

As per our report of even date attached

For and on behalf of the Board
CIN: U72900MH2010PLC206026

For B S R & Co. LLP
Chartered Accountants
Firm's registration no.101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
Mumbai, May 11, 2022

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Chaitanya Sathe
Director
Din No: 06942922

Krupa Sutaria
Company Secretary
Membership No: A28764

Statement of Cash Flow

(₹ in lakhs)

		Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**147.23**	325.57
Adjustments to reconcile profit and loss to net cash provided by operating activities			
Depreciation		**29.79**	159.61
Net gain on investments		**(72.69)**	-
Provision for doubtful debts (net)		**40.74**	67.20
Tax expense		**60.33**	132.99
Interest income		**(334.29)**	(373.65)
Unrealised gain on investments		**(58.07)**	(139.24)
Finance costs		**22.33**	12.89
Operating profit before working capital changes		**(164.63)**	185.37
Net change in			
Trade receivables		**878.44**	(1,317.74)
Unbilled receivables		**-**	204.87
Other financial assets		**179.22**	40.48
Other assets		**53.29**	(82.14)
Trade payables		**(1,696.78)**	762.48
Unearned and deferred revenue		**0.43**	(33.96)
Other financial liabilities		**(4,237.94)**	2,163.64
Other liabilities and provisions		**(126.51)**	45.02
Cash generated from operations		**(5,114.48)**	1,968.02
Taxes paid (net of refunds)		**(84.04)**	(310.63)
Net cash (used in)/ generated from operating activities		**(5,198.52)**	1,657.39
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank deposits placed		**(3,895.50)**	(4,031.22)
Inter-corporate deposits placed		**(1,344.83)**	(1,291.00)
Payment for purchase of property, plant and equipment		**(0.02)**	(16.34)
Proceeds from bank deposits		**4,389.13**	769.16
Proceeds from inter-corporate deposits		**1,291.00**	4,234.00
Proceeds from disposal / redemption of investments		**700.00**	-
Interest received		**335.01**	421.10
Net cash generated from investing activities		**1,474.79**	85.70
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(324.96)**	-
Repayment of lease liabilities		**(264.88)**	(120.74)
Net cash used in financing activities		**(589.84)**	(120.74)
Net change in cash and cash equivalents		**(4,313.57)**	1,622.35
Cash and cash equivalents at the beginning of the year		**4,710.06**	3,087.71
Cash and cash equivalents at the end of the year (Refer Note 6 (c))		**396.49**	4,710.06
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-24		

As per our report of even date attached

For and on behalf of the Board
CIN: U72900MH2010PLC206026

For B S R & Co. LLP
Chartered Accountants
Firm's registration no.101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
Mumbai, May 11, 2022

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Director
Din No: 07982712

Shanti Nair
Chief Operating Officer

Chaitanya Sathe
Director
Din No: 06942922

Krupa Sutaria
Company Secretary
Membership No: A28764

1. CORPORATE INFORMATION

MahaOnline Limited (hereinafter referred as 'the Company') provides information technology (IT) and IT enabled services in the State of Maharashtra. The Company is engaged into the business of development, maintenance and management of MahaOnline portals for providing web-based services by Government to Citizens (G2C), Government to Business and other portal services of Government of Maharashtra.

The Company is unlisted public limited company incorporated and domiciled in India. The address of the registered office is Directorate of Information Technology, Mantralaya Annex, 7th Floor, Mumbai - 400032 and corporate office is 5th floor, Trade World, D-Wing, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Tata Consultancy Services Limited (TCS), the holding company, owns 74% of the Company's equity share capital. Tata Sons Limited is the ultimate parent.

The joint venture between Tata Consultancy Services ("TCS") and the Government of Maharashtra ("GoM") to provide IT services to the GoM was for a period of 10 years until the agreement is terminated or the Joint Venture ("JV") Company is liquidated/dissolved. The agreement expired in July 2020 and post July 2020 the Joint Venture agreement is in continuation until notice of termination of the agreement by either party is received.

Effective 1st April 2020, MahaOnline transferred its projects to Maharashtra Information Technology Corporation Limited (MahaIT). However, MahaOnline continues to assist Maha IT in fulfilling its service responsibilities on these projects that Maha IT now has with Government of Maharashtra. MahaOnline will raise invoices with agreed markup on MahaIT for the expenses incurred on the its associates cost, office premises lease cost and all AMCs renewal /firewall/UPS cost

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 11, 2022.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

3. BASIS OF PREPARATION

These financial statements have been prepared in Indian Rupee which is the functional currency of the company.

These 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 or non current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities,

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disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements.

a) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

b) Provision for income tax and deferred tax

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

c) Provision and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

d) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

e) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

f) Impact of Covid 19 (pandemic)

The Company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of citizen services revenue and impact on leases. The Company has considered internal and certain external sources of information including reliable credit reports, economic forecasts and industry reports upto the date of approval of the financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

Specified format for disclosure of shareholding of promoters.

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statemments.

6, FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix.For all other financial assets, expected credit losses are measured at an amount equal to the 12- month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a) Investment

Investments consist of the following:

(₹ in lakhs)

Investments – Current	**As at March 31, 2022**			**As at March 31, 2021**
Investment carried at fair value through profit and loss	**Quantity**	**₹**	**Quantity**	**₹**
Mutual funds (quoted)				
Tata Liquid Fund Direct Plan - Growth	**47,745**	**1604.45**	**62,747**	2037.81
UTI Liquid Cash Plan - Direct Growth Plan	**50,221**	**1751.71**	**56,003**	1887.59
	97,966	**3,356.16**	**118,750**	3,925.40

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Aggregate value of quoted investments is as follows:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Aggregate value of quoted investments	**3,356.16**	3,925.40
Aggregate market value of quoted investments	**3,356.16**	3,925.40

b) Trade receivables - Billed

Trade receivables - Billed (unsecured) consist of the following:

(₹ in lakhs)

Trade receivables - Billed - Non Current	As at March 31, 2022	As at March 31, 2021
Trade receivables - Billed	**782.35**	737.62
Less: Allowance for doubtful trade receivables - Billed	**(782.35)**	(737.62)
Considered good	**-**	-
Trade receivables - Billed	**16.00**	20.00
Less: Allowance for doubtful trade receivables - Billed	**(16.00)**	(20.00)
Credit impaired	**-**	-
	-	-

Above balances of trade receivables include balances with related parties (Refer note 21).

Ageing for trade receivables - non - current outstanding as at March 31, 2022 is as follow:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade receivables - billed							
Undisputed trade receivables – considered good	-	-	-	26.18	106.20	649.97	782.35
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	16.00	16.00
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	26.18	106.20	665.97	798.35
Less: Allowance for doubtful trade receivables - Billed							(798.35)
							0.00

Ageing for trade receivables - non-current outstanding as at March 31, 2021 is as follow:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade receivables - billed							
Undisputed trade receivables – considered good	-	-	-	76.84	50.73	629.85	757.42
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	0.20	0.20
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	-	-	76.84	50.73	630.05	757.62
Less: Allowance for doubtful trade receivables - Billed							(757.62)
							0.00

(₹ in lakhs)

Trade receivables - Billed - Current	As at March 31, 2022	As at March 31, 2021
Trade receivables - Billed	**2,912.01**	3831.18
Less: Allowance for doubtful trade receivables - Billed	**-**	-
Considered good	**2,912.01**	3,831.18

Above balances of trade receivables include balances with related parties (Refer note 21).

Ageing for trade receivables - current outstanding as at March 31, 2022 is as follow:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade receivables - billed							
Undisputed trade receivables – considered good	-	223.18	262.43	728.41	861.73	836.25	2,912.00
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-

Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	223.18	262.43	728.41	861.73	836.25	2,912.00
Less: Allowance for doubtful trade receivables - Billed							-
							2,912.00

Ageing for trade receivables - current outstanding as at March 31, 2021 is as follow:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade receivables - billed							
Undisputed trade receivables – considered good	-	1,959.17	68.04	967.71	145.05	691.21	3,831.18
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
	-	1,959.17	68.04	967.71	145.05	691.21	3,831.18
Less: Allowance for doubtful trade receivables - Billed							-
							3,831.18

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c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	**396.49**	4,710.06
Cash on hand	**-**	-
	396.49	4,710.06

d) Other balances with banks

Other balances with banks consist of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks*	**-**	353.94
Short-term bank deposits	**2,661.46**	457.22
	2,661.46	811.16

*Earmarked balances includes balances held as margin money against guarantees.

e) Loans

Loans receivable (unsecured) consist of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Loans receivables – Current		
Considered good		
Inter-corporate deposits*	**1,344.83**	1,291.00
	1,344.83	1,291.00

*Inter-corporate deposits placed with financial institutions yield fixed interest rate.

f) Other Financial Assets

Other financial assets consist of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Other financial assets - Non-current		
Security deposits	**1 31.39**	125.94
Interest receivable	**1.88**	-
Sub-lease receivable	**1 19.08**	314.38
Earmarked balances with banks	**3.16**	14.55
Bank deposits (more than 12 months from the balance sheet date)	**1,249.44**	3,582.00
	1,504.95	4,036.87

*Earmarked balances includes balances held as margin money against guarantees.

(₹ in lakhs)

Other financial assets - Current	As at March 31, 2022	As at March 31, 2021
Security deposits	**2.27**	2.27
Interest receivable	**71.00**	73.60
Sub-lease receivable	**195.30**	184.67
	268.57	260.54

g) Trade payables

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME *						
Others	-	23.87	67.50	19.75	1,156.33	1,267.45
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	-	23.87	67.50	19.75	1,156.33	1,267.45
Accrued Expenses						576.98
						1,844.43

* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME *						
Others	-	1,725.26	43.95	20.28	1,134.13	2,923.62
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	-	1,725.26	43.95	20.28	1,134.13	2,923.62
Accrued Expenses						617.61
						3,541.23

* MSME asper the Micro, Small and Medium Enterprises Development Act, 2006.

Above balances of trade payables include balances with related parties (Refer note 21)

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h) Other Financial Liabilities

Other financial liabilities consist of the following:

(₹ in lakhs)

Other financial liabilities - Non-current	As at March 31, 2022	As at March 31, 2021
Security deposits received	**42.70**	42.70
	42.70	42.70

Other financial liabilities - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Amounts collected on behalf of customers	**2,757.18**	6,421.14
Security deposits	**255.35**	829.33
	3,012.53	7,250.47

* Amount collected on behalf of customers includes collection of government services fees

i) Financial instruments by category

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	**396.49**	**396.49**
Bank deposits	-	**2,661.46**	**2,661.46**
Earmarked balances with banks	-	-	-
Investments	**3,356.16**	-	**3,356.16**
Trade receivables	-	**2,912.01**	**2,912.01**
Unbilled receivables	-	-	-
Loans*	-	**1,344.83**	**1,344.83**
Other financial assets	-	**1,773.52**	**1,773.52**
Total	**3,356.16**	**9,088.31**	**12,444.47**
Financial liabilities:			
Trade payables	-	**1,844.44**	**1,844.44**
Lease liabilities	-	**314.38**	**314.38**
Other financial liabilities	-	**3,055.23**	**3,055.23**
Total	-	**5,214.05**	**5,214.05**

* Loans consist of inter corporate deposits of Rs. 1,344.83 lakhs with original maturity period within 12 months

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The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Total carrying value
Financial assets:			
Cash and cash equivalents	-	4,710.06	4,710.06
Bank deposits	-	457.22	457.22
Earmarked balances with banks	-	353.94	353.94
Investments	3,925.40	-	3,925.40
Trade receivables	-	3,831.18	3,831.18
Unbilled revenue	-	-	-
Loans*	-	1,291.00	1,291.00
Other financial assets	-	4,297.41	4,297.41
Total	3,925.40	14,940.81	18,866.21
Financial liabilities:			
Trade and other payables	-	3,541.22	3,541.22
Lease liabilities	-	556.93	556.93
Other financial liabilities	-	7,293.17	7,293.17
Total	-	11,391.32	11,391.32

* Loans consist inter corporate deposits of Rs. 1,291 lakhs with original maturity period within 12 months

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables, loans receivables and trade payables as at March 31, 2022 and March 31, 2021 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented. Fair value measurement of lease liabilities is not required.

j) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist 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 following table summarises financial assets measured at fair value on a recurring basis.

(₹ in lakhs)

As of March 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Investments in Mutual fund units	**3,356.16**	**-**	**-**	**3,356.16**
Total	**3,356.16**	**-**	**-**	**3,356.16**
As of March 31, 2021:	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in Mutual fund units	3,925.40	-	-	3,925.40
Total	3,925.40	-	-	3,925.40

k) Financial risk management:

The Company is exposed primarily to credit ,liquidity and interest rate risk which may adversely impact the fair value of its financial instruments. The Company's focus is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on its financial performance.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such change in financial instruments may result from changes in the credit rating and other market changes. The Company's exposure to the market risk is primarily on account of fluctuation in market rates of NAV of mutual funds.

Interest rate risk

The fixed deposits and intercorporate deposits made by the Company bears a fixed rate of interest. Hence the Company is not significantly expose to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, cash and cash equivalents, bank deposits, inter corporate deposits and other financial assets. Inter corporate deposits of ₹ 1,344.83 lakhs and ₹ 1,291 as of March 31, 2022 and 2021, respectively, are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits of ₹ 3,910.90 lakhs and ₹ 3,980.00 lakhs as at March 31,2022 and 2021 is held with one Indian bank having high credit ratings. None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

  The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 12,444.47 lakhs and ₹ 18,866.21 lakhs as of March 31, 2022 and 2021, respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, unbilled receivables, investments and loans receivables and other financial assets.

  Of the trade receivables balance as at March 31, 2022, ₹ 1,957.19 lakhs and ₹ 674.52 lakhs (March 31, 2021: ₹ 1,475.77 lakhs and ₹ 674.52 lakhs) are due from Maharashtra Information Technology Corporation Ltd and Rural Development Department respectively, the Company's largest customers. There are no other customers who represent more than 10% of the total trade receivables.

- **Geographic concentration of credit risk**

  The Company has a geographic concentration of trade receivables, net of allowances and unbilled revenue in India.

  The allowance for lifetime expected credit loss on trade receivables for the year ended March 31,2022 and 2021 was ₹ 40.74 lakhs and ₹ 67.20 lakhs respectively .The reconciliation of allowance for doubtful trade receivables is as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**757.62**	690.42
Change during the year	**40.74**	67.20
Balance at the end of the year	**798.36**	757.62

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Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as of:

(₹ in lakhs)

March 31, 2022	Due in 1st Year	Due in 2nd Year	Due in 3rd Year	Due in 4th Year	Due in 5th Year	Total
Trade payables	1,844.44	-	-	-	-	1,844.44
Lease Liability	207.00	120.75	-	-	-	327.75
Other financial liabilities	3,055.23	-	-	-	-	3,055.23
Total	5,106.67	120.75	-	-	-	5,227.42
March 31, 2021	Due in 1st Year	Due in 2nd Year	Due in 3rd Year	Due in 4th Year	Due in 5th Year	Total
Trade payables	3,541.22	-	-	-	-	3,541.22
Lease Liability	264.87	207.00	120.75	-	-	592.62
Other financial liabilities	7,293.17	-	-	-	-	7,293.17
Total	11,099.26	207.00	120.75	-	-	11,427.01

l) Equity instruments

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

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Authorised :		
25,000,000 equity shares of ₹ 10 each (March 31, 2021 : 25,000,000 equity shares of ₹ 10 each)	2,500.00	2,500.00
	2,500.00	2,500.00
Issued, Subscribed and Fully paid-up:		
2,552,705 equity shares of ₹ 10 each (March 31, 2021 : 2,552,705 equity shares of ₹ 10 each)	255.27	255.27
	255.27	255.27

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.

a) Reconciliation of number of shares

	As at March 31, 2022		As at March 31, 2021	
	No. of Equity shares	Amount (₹ lakhs)	No. of Equity shares	Amount (₹ lakhs)
Opening balance	2,552,705	255.27	2,552,705	255.27
Issued during the year	-	-	-	-
Closing balance	2,552,705	255.27	2,552,705	255.27

b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held and carry right to dividend. The dividend, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion of their shareholding.

c) Shares held by holding company and subsidiaries of holding company

	Number of shares	
	As at March 31, 2022	As at March 31, 2021
Equity shares		
Holding Company		
1,889,005 equity shares (March 31, 2021: 1,889,005) are held by Tata Consultancy Services Limited	**1,889,005**	1,889,005
	18,89,005	18,89,005

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

	As at March 31, 2022		As at March 31, 2021	
Equity Shares	No. of shares	Holding	No. of shares	Holding
Tata Consultancy Services Limited (Holding company)	**1,889,005**	**74%**	1,889,005	74%
Governor, Government of Maharashtra	**6,63,700**	**26%**	6,63,700	26%
	2,552,705	**100%**	2,552,705	100%

e) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows :

Shares held by promoters at the end of the year				% Change during the year
Sr. no.	Promoter name	No. of shares *	% of total shares	
1	Tata Consultancy Services Limited	**1,889,005**	**74%**	-
2	Governor, Government of Maharashtra	**6,63,700**	**26%**	-
		2,552,705	**100%**	-

Disclosure of shareholding of promoters as at March 31, 2021 is as follows :

Shares held by promoters at the end of the year				% Change during the year
Sr. no.	Promoter name	No. of shares *	% of total shares	
1	Tata Consultancy Services Limited	**1,889,005**	**74%**	-
2	Governor, Government of Maharashtra	**6,63,700**	**26%**	-
		2,552,705	**100%**	-

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7. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 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 recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

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The details of the right-of-use asset held by the Company is as follows:

(₹ in lakhs)

	Addition for the year ended March 31, 2022	Net carrying amount as at March 31, 2022
Building	**-**	**8.70**
	-	**8.70**

(₹ in lakhs)

	Addition for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Building	16.76	14.28
	16.76	14.28

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

(₹ in lakhs)

Depreciation	Year ended March 31, 2022	Year ended March 31, 2021
Building	**5.59**	98.20
	5.59	98.20

Interest on lease liabilities is ₹ 22.33 lakhs for the year ended March 31, 2022 (March 31, 2021: ₹ 12.89 lakhs)

The Company incurred ₹ Nil for the year ended March 31, 2022 (March 31, 2021: ₹ 29.70 lakhs) towards expenses relating to short-term leases and leases of low-value assets.The total cash outflow for leases is ₹ Nil for the year ended March 31, 2022 (March 31, 2021: ₹ 150.44 lakhs), including cash outflow for short term and low value leases.

Lease contracts entered by the Company pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

During December 2020, leased property has been sub-let by the Company. The lease and sub-lease expire in October 2023. The lease income is equal to lease payments. The Company classifies the sub-lease as a finance lease because it is for the whole of the remaining term.

(₹ in lakhs)

Sublease movement	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the period	**499.05**	-
Additions during the period	**-**	547.22
Interest income accrued during the period	**22.33**	9.70
Lease receipts	**(207.00)**	(57.87)
Balance at the end of the period	**314.38**	499.05

The following tables sets out maturity analysis of lease receivables, showing the undiscounted lease payaments to be received after the reporting date.

(₹ in lakhs)

	2022	2021
Less than one year	**207.00**	264.87
One or two years	**120.75**	207.00
Two or three years	**-**	120.75
Total undiscounted lease receivables	**327.75**	592.62
Net investment in lease	**327.75**	592.62

8. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

a) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any.

Cost of an item of property, plant and equipment comprises of its purchases price including non refundable taxes, after deducting trade discount and any directly attributable cost of bringing the item to its working condition for its intended use.

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

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful life
Computer equipment	Straight line	4 years
Office equipment	Straight line	5 years
Electrical installation	Straight line	5 years
Furniture and fixtures	Straight line	5 years
Leasehold improvements	Straight line	Lease term

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

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Property, plant and equipment consist of the following:

(₹ in lakhs)

	Leasehold improvements	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Total
Cost as at April 1, 2021	**10.74**	**591.75**	**69.57**	**55.87**	**64.92**	**792.85**
Additions	**-**	**0.02**	**-**	**-**	**-**	**0.02**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Cost as at March 31, 2022	**10.74**	**591.77**	**69.57**	**55.87**	**64.92**	**792.87**
Accumulated depreciation as at April 1, 2021	**(10.74)**	**(536.34)**	**(69.57)**	**(54.70)**	**(64.92)**	**(736.27)**
Depreciation for the year	**-**	**(23.78)**	**-**	**(0.42)**	**-**	**(24.20)**
On disposals	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation as at March 31, 2022	**(10.74)**	**(560.12)**	**(69.57)**	**(55.12)**	**(64.92)**	**(760.47)**
Net carrying amount as at March 31, 2022	**-**	**31.65**	**-**	**0.75**	**-**	**32.40**

(₹ in lakhs)

	Leasehold improvements	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Total
Cost as at April 1, 2020	10.74	575.41	69.57	55.87	64.92	776.51
Additions	-	16.34	-	-	-	16.34
Disposals	-	-	-	-	-	-
Cost as at March 31, 2021	10.74	591.75	69.57	55.87	64.92	792.85
Accumulated depreciation as at April 1, 2020	(8.95)	(507.01)	(58.42)	(46.39)	(54.09)	(674.86)
Depreciation for the year	(1.79)	(29.33)	(11.15)	(8.31)	(10.83)	(61.41)
On disposals	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2021	(10.74)	(536.34)	(69.57)	(54.70)	(64.92)	(736.27)
Net carrying amount as at March 31, 2021	-	55.41	-	1.17	-	56.58

b) 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 are amortised on a straight line basis.
Intangible assets consist of software licenses.

(₹ in lakhs)

Description	Softwares licenses
Cost as at April 1, 2021	30.33
Additions	-
Disposals / Derecognised	-
Cost as of March 31, 2022	30.33
Accumulated depreciation as of April 1, 2021	(30.33)
Amortisation	-
Disposals / Derecognised	-
Accumulated depreciation as of March 31, 2022	(30.33)
Net carrying amount as of March 31, 2022	-

Other assets - Current

(₹ in lakhs)

Description	Softwares licenses
Cost as at April 1, 2020	30.33
Additions	-
Disposals / Derecognised	-
Cost as of March 31, 2021	30.33
Accumulated depreciation as of April 1, 2020	(30.33)
Amortisation	-
Disposals / Derecognised	-
Accumulated depreciation as of March 31, 2021	(30.33)
Net carrying amount as of March 31, 2021	-

b) Other assets

Other assets consist of the following:

Other assets - Non-current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Considered good		
Prepaid expenses	**5.55**	14.68
	5.55	14.68

Other assets - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Considered good		
Prepaid expenses	**11.62**	21.90
Indirect taxes recoverable	**53.64**	96.23
Advances to suppliers	**0.50**	0.50
Others	**14.37**	5.66
	80.13	124.29

c) Other liabilities

(₹ in lakhs)

Other liabilities - Current	As at March 31, 2022	As at March 31, 2021
Advance received from collection agencies	**90.02**	108.75
Indirect taxes payable and other statutory liabilities	**8.82**	103.12
	98.84	211.87

9) OTHER EQUITY

Other equity consist of the following:

(₹ in lakhs)

	Reserves and surplus	
	Retained earnings	**Total Equity**
Balance as at April 1, 2021	**7,917.96**	7,917.96
Profit for the year	**147.23**	147.23
Other comprehensive income	**(0.34)**	(0.34)
Total comprehensive income	**146.89**	146.89
Dividend	**324.96**	324.96
Balance as at March 31, 2022	**7,739.89**	7,739.89
Balance as at April 1, 2020	**7,591.71**	7,591.71
Profit for the year	**325.57**	325.57
Other comprehensive income	**0.68**	0.68
Total comprehensive income	**326.25**	326.25
Balance as at March 31, 2021	**7,917.96**	7,917.96

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT and IT enabled services in the State of Maharashtra.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue excludes taxes collected from customers.
- Support service income is accounted on accrual basis in accordance with the terms of the contract entered into between the Company and the counterparty. It is calculated based on agreed mark-up on costs incurred.
- Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.
- Contract assets are recognised when there is excess of revenue 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.

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.

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In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services.

Revenue disaggregation by nature is as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Transaction revenue	**72.30**	3,032.56
Aadhaar authentication	**-**	44.84
Software development services and maintenance	**-**	37.43
Data centre establishment and maintenance	**2.45**	13.02
Support services	**200.98**	405.21
	275.73	3,533.06

The Company generates revenues from providing services in the state of Maharashtra in India. For the current year, the revenue recognised in the statement of profit and loss equals to the contracted price.

Information about major customers:

For the year ended March 31 ,2022 there are two customers who contribute more than 10% each to the total revenue. Maharashtra Information Technology Corporation Ltd. ₹ 200.98 lakhs constituting 72.8% of the total revenue and Slum Rehabilitation Autjority ₹ 72.30 lakhs constituting 26.22% of the total revenue.

Changes in unearned and deferred revenue are as under :

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**46.73**	80.69
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**(2.45)**	(33.96)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year.	**2.88**	-
Balance at the end of the year	**47.16**	46.73

11. OTHER INCOME

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

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Other income consists of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income	**334.29**	373.65
Net gain on investments carried at fair value through profit and loss	**130.76**	139.24
	465.05	512.89
Interest income comprises :		
Interest on bank deposits	**245.92**	133.24
Interest on inter-corporate deposits	**60.59**	223.01
Other interest	**27.78**	17.40
	334.29	373.65

12. EMPLOYEE BENEFITS

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

Defined contribution plans

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

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 recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has 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 not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the obligation at the balance sheet date.

Employee Benefit Expenses

Employee benefit expenses consist of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, incentives and allowances	**106.11**	225.54
Contribution to provident fund and other funds	**7.60**	16.18
Staff welfare expenses	**7.89**	7.58
	121.60	249.30

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Employee benefit obligations consist of the following:

Employee benefit obligations - Non-current

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Compensated absences	**0.80**	4.32
Gratuity liability	**2.02**	8.50
Other employee benefit obligation	**0.38**	0.34
	3.20	13.16

Employee benefit obligations - Current

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Compensated absences	**1.81**	3.28
Gratuity liability	**2.40**	3.94
Other employee benefit obligation	**-**	0.05
	4.21	7.27

Employee benefit plans consist of the following:

Gratuity

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The unfunded gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:

Change in benefit obligations:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Benefit obligation at the beginning of the year	**12.44**	20.56
Interest cost	**0.53**	1.08
Service cost	**1.20**	2.39
Benefits paid	**(10.21)**	(10.68)
Remeasurement of net defined benefit liability / (assets)	**0.46**	(0.91)
Present value of benefit obligation at the end of the year	**4.42**	12.44

Remeasurement of the net defined benefit liability/(asset):

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial (gains) and losses arising from changes in demographic assumptions	**(0.02)**	(0.14)
Actuarial (gains) and losses arising from changes in financial assumptions	**(0.01)**	0.25
Actuarial (gains) and losses arising from changes in experience adjustments	**0.49**	(1.02)
Remeasurement of the net defined benefit liability	**0.46**	(0.91)
Net actuarial loss	**0.46**	(0.91)

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Assumptions used in accounting for gratuity plan:

	As at March 31, 2022	As at March 31, 2021
Discount rate	**4.50%**	4.25%
Salary escalation rate	**4.00%**	4.00%
Attrition rate		
i) If Services < 5 years	**77.68%**	60.89%
ii) If Services > 5 years	**54.05%**	31.83%
Mortality Rate During Employment	**Indian Assured Lives Mortality (2012-14)**	Indian Assured Lives Mortality (2006-08)

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases / decreases by 0.50%, the defined benefit obligations would (decrease)/ increase as follows:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Increase of 0.50%	**(0.02)**	(0.12)
Decrease of 0.50%	**0.02**	0.13

If the expected salary growth increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Increase of 0.50%	**0.02**	0.13
Decrease of 0.50%	**(0.02)**	(0.13)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

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Amount recognised in the Statement of Profit and Loss:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	**1.20**	2.39
Net interest expenses	**0.53**	1.08
Component of defined benefit cost recognised in profit or loss	**1.73**	3.47
Remeasurement of the net defined benefit liability/(asset):	**0.46**	(0.91)
Components of defined benefits cost recongnised in other comprehensive	**0.46**	(0.91)
Total	**2.19**	2.56

Amount recognised in the Balance Sheet:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets, end of the year	**-**	-
Present value of benefit obligation at the end of the year	**(4.42)**	(12.44)
Net (Liability) recognized In the Balance Sheet	**(4.42)**	(12.44)

The defined benefit obligations shall mature after year ended March 31, 2022 as follows

(₹ in lakhs)

Year ending March 31,	Defined benefit obligations
2022	**2.40**
2023	**1.14**
2024	**0.56**
2025	**0.26**
2026	**0.12**
2027 to 2031	**0.11**

Provident fund

In accordance with Indian law, the employees are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly.

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund covers substantially all regular employees. While both, the employee and the Company pay predetermined contributions into the provident fund, contribution into the family pension fund are made by only the Company. The contribution is based on certain proportion of employee's salary. Contributions to Provident Fund are made to The Regional Provident Fund Commissioner for qualifying employees. The Company contributed ₹ 5.87 lakhs (March 31, 2021: ₹ 12.71 lakhs) for provident fund during the year ended March, 31 2022.

13. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and other expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other expenses majorly include fees to external consultants, commission, facility running expenses, travel expenses, cost of equipment and software licenses, communication costs, bad debts and allowances for doubtful trade receivables and other expenses. Other expenses is an aggregation of costs which are individually not material such as recruitment and training, entertainment, etc.

a) Other expenses

Other expenses includes the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Fees to external consultants	**151.22**	2,821.72
Equipment and software licenses	**1.41**	8.71
Communication expenses	**23.64**	36.49
Facility running expenses	**41.58**	44.27
Repairs and maintenance	**9.54**	23.58
Provision for doubtful debts (net)	**40.74**	67.20
Payment to auditors (refer note 17)	**4.33**	4.33
Expenditure on Corporate Social Responsibility (refer note 13(b))	**38.10**	85.17
Project expenses	**22.64**	46.95
Other expenses	**26.29**	26.30
	359.49	3,164.72

b) Expenditure on Corporate Social Responsibility Activities

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended March 31, 2022 and 2021 is ₹ 38.10 lakhs and ₹ 51.02 lakhs, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on CSR. The Company incurred an amount of ₹ 38.10 lakhs and ₹ 85.17 lakhs during the year ended March 31, 2022 and 2021, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

	Year ended March 31, 2022	Year ended March 31, 2021
1- Amount required to be spent by the company during the year	**38.10**	51.02
2- Amount of expenditure incurred on:		
(i) Construction / acquisition of any asset	**-**	-
(ii) On purpose other than (i) and above	**38.10**	* 85.17
3- Shortfall at the end of the year,	**-**	-
4- Total of previous years shortfall	**-**	-
5- Reason for shortfall,	**-**	-
6- Nature of CSR activities,	**Contributed to TCS Foundation for children medical care in Maharashtra**	Contributed to PM care fund. * FY 21 includes CSR expenditute for FY 20 of Rs. 34.15
7- Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	**38.10**	-

14. FINANCE COSTS

Finance cost includes the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on delayed payment of GST	**0.01**	0.87
Interest on lease liabilities	**22.33**	12.89
	22.34	13.76

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

Current income taxes

The current income tax expense includes income taxes payable by the Company.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred income tax liabilities are recognised for all taxable temporary differences.

Income-tax expense consists of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
Current tax expense for current year	**50.71**	108.99
	50.71	108.99
Deferred tax		
Deferred tax expense	**9.62**	24.00
Total income-tax expense recognised in current year	**60.33**	132.99

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The reconciliation of estimated income-tax expenses at Indian statutory income-tax rate to income-tax expenses reported in statement of profit and loss is as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before taxes	**207.56**	458.56
Indian statutory income-tax rate	**25.168%**	25.168%
Expected income-tax expense	**52.24**	115.41
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax pertaining to prior year	**(1.80)**	5.27
CSR	**9.59**	21.43
Others (net)	**0.30**	(9.12)
Total income-tax expense	**60.33**	132.99

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

(₹ in lakhs)

	Opening balance	Recognised / reversed through profit or loss	Recognised in other comprehensive income	Recognised in/ reclassified from retained earning	Closing balance
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment and intangible assets	**24.95**	**(2.08)**	**-**	**-**	**22.87**
Provision for employee benefits	**5.35**	**(3.30)**	**0.12**	**-**	**2.17**
Operating lease liabilities	**-**	**-**	**-**	**-**	**-**
Transition impact of Ind AS 116	**-**	**-**	**-**	**-**	**-**
Provision for doubtful debts	**191.16**	**9.65**	**-**	**-**	**200.81**
Unrealised gain on mutual fund	**(71.16)**	**(13.89)**	**-**	**-**	**(85.05)**
Net deferred tax assets / (liabilities)	**150.30**	**(9.62)**	**0.12**	**-**	**140.80**

Gross deferred tax assets and liabilities are as follows: (₹ in lakhs)

As at March 31, 2022	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	**22.87**	**-**	**22.87**
Provision for employee benefits	**2.17**	**-**	**2.17**
Operating lease liabilities	**-**	**-**	**-**
Transition impact of Ind AS 116	**-**	**-**	**-**
Provision for doubtful debts	**200.81**	**-**	**200.81**
Unrealised gain on mutual fund	**-**	**85.05**	**(85.05)**
Total deferred tax assets / (liabilities)	**225.85**	**85.05**	**140.80**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(₹ in lakhs)

	Opening balance	Recognised / reversed through profit or loss	Recognised in other comprehensive income	Recognised in/ reclassified from retained earning	Closing balance
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment and intangible assets	20.15	4.80	-	-	24.95
Provision for employee benefits	9.27	(3.69)	(0.23)	-	5.35
Operating lease liabilities	6.75	(6.75)	-	-	-
Transition impact of Ind AS 116	(0.49)	0.49	-	-	-
Provision for doubtful debts	174.25	16.91	-	-	191.16
Unrealised gain on mutual fund	(35.40)	(35.76)	-	-	(71.16)
Net deferred tax assets / (liabilities)	174.53	(24.00)	(0.23)	-	150.30

Gross deferred tax assets and liabilities are as follows: (₹ in lakhs)

As at March 31, 2021	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	24.95	-	24.95
Provision for employee benefits	5.35	-	5.35
Operating lease liabilities	-	-	-
Transition impact of Ind AS 116	-	-	-
Provision for doubtful debts	191.16	-	191.16
Unrealised gain on mutual fund	-	71.16	(71.16)
Total deferred tax assets / (liabilities)	221.46	71.16	150.30

16. EARNINGS PER SHARE

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the year(₹)	**147.23**	325.57
Weighted average number of equity shares	**2,552,705**	2,552,705
Earnings per share basic and diluted (₹)	**5.77**	12.75
Face value per equity share (₹)	**10**	10

17. AUDITOR'S REMUNERATION

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Statutory Audit	**4.10**	4.10
Out of pocket	**0.23**	0.23
	4.33	4.33

18. SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker for assessing the Company's performance and allocating the resources based on an analysis of various performance indicators by business segments and geographic segments.The Company is mainly engaged in the business of providing IT enabled services to various departments of Government of Maharashtra which constitute a single business segment. These activities are conducted only in one geographic segment viz India. Therefore, the disclosure requirements of the Ind AS 108 "Segment Reporting" are not applicable.

19. COMMITMENTS AND CONTINGENCIES

Capital commitments

There are no contractual commitment for purchase of property plant and equipment as at March 31, 2022 and 2021.

Contingencies

(₹ in lakhs)

	As at March 31,2022	As at March 31,2021
Income-tax demands	**13.70**	12.95
Sales Tax	**18.61**	-
Other claims not acknowledged as debts *	**436.32**	436.32
	468.63	449.27

- Government of Maharashtra had awarded the Aadhar enrolment work to MahaOnline Limited and MahaOnline further outsourced the Aadhar enrollment work to Mphasis Ltd in the year Mar 2011. As per agreement with Mphasis, payment will be released to Mphasis for only when UID authority approves the Aadhar enrolment done by Mphasis. MahaOnline has released the payment based on the count approved by the UID. There is a dispute in count claimed by the Mphasis and count approved by the Government. Mphasis has filed the claim of ₹ 436.32 lakhs against Mahaonline for payment towards its services.

20. 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 has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and 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.

21. RELATED PARTY DISCLOSURES

A Related Parties and their relationship

I. (A) Ultimate Holding Company

Tata Sons Limited

(B) Holding Company

Tata Consultancy Services Limited

II. Investing Party

Governor, Government of Maharashtra

III. Fellow Subsidiaries with whom the Company has transactions

Tata Teleservices (Maharashtra) Ltd.

TCS Foundation

IV. Key managerial Personnel

Mrs. Shanti Nair, Chief Operating Officer

Note: Related parties have been identified by the Management.

B Transactions during the year ended and Balances as at March 31, 2022

Transactions with Related Parties

(₹ in lakhs)

	Year ended March 31, 2022			
	Holding Company	Investing Party	Fellow Subsidiary Companies	Key Management Personnel
Revenue from operations	**-**	**275.73**	**-**	**-**
Purchases of goods and services (including reimbursements) (Refer note below)	*** 43.20**	**-**	**3.56**	**-**
Amount spend for CSR	**-**	**-**	**38.10**	
Dividend paid	**240.47**	**84.49**	**-**	

Note: * The key manangement personnel of the Company is on deputation and have drawn remuneration of ₹ 43.20 lakhs from Tata Consultancy Services Limited during the year ended March 31, 2022. Services charges are payable by the Company to Tata Consultancy Services Limited.

Transactions with Related Parties

(₹ in lakhs)

	Year ended March 31, 2021			
	Holding Company	Investing Party	Fellow Subsidiary Companies	Key Management Personnel
Revenue from operations	-	3,531.49	-	-
Purchases of goods and services (including reimbursements) (Refer note below) *	* 2,745.50	-	3.65	-

Note: * The key manangement personnel of the Company is on deputation and have drawn remuneration of ₹ 41.40 lakhs from Tata Consultancy Services Limited during the year ended March 31, 2021. Services charges are payable by the Company to Tata Consultancy Services Limited.

Balances with Related Parties

(₹ in lakhs)

	As at March 31, 2022			
	Holding Company	Investing Party	Fellow Subsidiary Companies	Key Management Personnel
Trade Receivables	**16.72**	**2,895.29**	**-**	**-**
Trade Payables	**69.30**	**9.55**	**0.29**	**(0.04)**
Guarantees given	**-**	**2.00**	**-**	**-**
Security Deposit	**-**	**5.60**	**1.00**	**-**

Balances with Related Parties

(₹ in lakhs)

	As at March 31, 2021			
	Holding Company	Investing Party	Fellow Subsidiary Companies	Key Management Personnel
Trade Receivables	16.72	3,806.79	-	-
Trade Payables	1,403.74	10.95	0.35	(0.04)
Guarantees given	-	314.55	-	-
Security deposit	-	5.60	1.00	-

22) ADDITIONAL REGULATORY INFORMATION

Ratio	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for Variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	2.13	1.33	60.03%	Increase in current ratio is due to decrease in payable towards advance collection of government services fees.
Return on Equity (in %)	Profit for the year less preferance dividend (if any)	Average total equity	1.82%	4.06%	-55.19%	Return on equity is lower due to reduction in profit for the year due to reduced operations.
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables - billed	8.00%	110.00%	-92.58%	Variance is due to reduction in revenue by Rs.3,257.33 lakhs as compared to reduction in receivables by Rs 919.17 lakhs only.
Trade payables turnover ratio (in times)	Cost of equipment and software licenses + Other expenses	Average trade payables	13.00%	100.00%	-86.67%	Variance is due to reduction in other expenses by Rs. 2,805.23 lakhs as compared to lower reduction in payables by Rs. 1,696 lakhs only.
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (ie. Total current assets less Total current liabilities	6.00%	65.00%	91.16%	Variance is due to reduction in revenue as compared to working capital due to reduced operations.
Net profit ratio (in %)	Profit for the year	Revenue from operations	53.40%	9.21%	479.45%	Net profit ratio as compared to previous year has increased due to higher margin generated from support services revenue.
Return on capital employed (in %)	Profit before tax and finance cost	Capital employed = Tangible net worth + Total debt	3.15%	5.95%	-46.95%	Variance is due to lower profit as compared to capital employed due to reduced operations
Return on investment (in %)	Income generated from invested funds	Average invested funds	4.79%	5.27%	-9.11%	

23. "No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

24. SUBSEQUENT EVENT:

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Subsequent to March 31, 2022, the Board of Directors of the Company have proposed a final dividend of ₹ 5.76 per share in respect of the year ending March 31, 2022. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 147.04 lakhs.

As per our report of even date attached

For and on behalf of the Board
CIN: U72900MH2010PLC206026

For B S R & Co. LLP
Chartered Accountants
Firm's registration no.101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
Mumbai, May 11, 2022

Lakshminarayanan G S
Director
Din No: 07982712

Shanti Nair
Chief Operating Officer

Chaitanya Sathe
Director
Din No: 06942922

Krupa Sutaria
Company Secretary
Membership No: A28764

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TCS e-Serve International Limited

(CIN: U72300MH2007PLC240002)

FINANCIAL STATEMENTS

For the year ended
March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TCS E-SERVE INTERNATIONAL LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of TCS e-Serve International Limited (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit or Loss (including other comprehensive loss), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's director report, but does not include the financial statements and our auditors' report thereon. The Company's director report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon..

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's director report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors..
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   A. As required by Section 143(3) of the Act, we report that:

      a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

      b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

      c) The Balance Sheet, the Statement of Profit or Loss (including other comprehensive loss), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

      d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

      e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

      f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 19 to the financial statements.

      b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      d. (i) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 24 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

         (ii) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the Note 24 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

According to the information and explanations given to us, no remuneration has been paid by the Company to any of its directors. Accordingly, provisions of Section 197 of the Act relating to remuneration to directors are not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No:122632
UDIN:22122632AINPLA2975

Mumbai
6 May 2022

Annexure A to the Independent Auditor's Report
on the financial statements of TCS e-Serve International Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, Computers were verified during the year and no material discrepancies have been noticed on such verification. Further, all other classes of property, plant and equipment were not verified due to disruption arising from COVID 19 and the Company has represented to us they have extended the programme of physical verification by one more year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering business process outsourcing services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Act are not applicable to the Company. Accordingly, clause3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ('GST').

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess orother statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Name of the statue	Nature of the dues	Amount (Rs in Lakhs)	Period	Forum where the dispute is pending
Income-tax Act, 1961	Demand received u/s 147 of the Income-tax Act, 1961	85	AY 2016-2017	Commissioner of Income-tax (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Establishment of vigil mechanism is not mandated for the Company. As represented to us by the management, there are no whistle blower complaints received by the Company during the year under the vigil mechanism established by the parent company for the Group.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No: 122632
UDIN:22122632AINPLA2975

Mumbai
6 May 2022

Annexure B to the Independent Auditors' Report
on the financial statements of TCS e-Serve International Limited for the year ended 31st March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of TCS e-Serve International Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No:122632
UDIN: 22122632AINPLA2975

Mumbai
6 May 2022

Balance sheet

(₹ in lakhs)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	8(a)	**4,518**	5,682
(b) Capital work-in-progress	8(a)	**271**	236
(c) Right-of-use assets	7	**5,792**	4,080
(d) Intangible assets	8(b)	**1,726**	2,425
(e) Financial assets			
(i) Investments	6(a)	**-**	130
(ii) Trade receivables - unbilled		**-**	267
(iii) Other financial assets	6(f)	**900**	884
(f) Income tax assets (net)		**2,030**	441
(g) Deferred tax assets (net)	15	**4,060**	7,065
(h) Other assets	8(c)	**728**	821
Total non-current assets		**20,025**	22,031
Current assets			
(a) Financial assets			
(i) Investments	6(a)	**9,000**	1,091
(ii) Trade receivables			
Billed	6(b)	**51,050**	27,953
Unbilled		**4,818**	3,694
(iii) Cash and cash equivalents	6(c)	**3,835**	5,047
(iv) Other balances with banks	6(d)	**-**	6
(v) Loans	6(e)	**69**	115
(vi) Other financial assets		**113**	39
(b) Other assets	8(c)	**7,673**	7,633
Total current assets		**76,558**	45,578
TOTAL ASSETS		**96,583**	67,609
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	6(m)	**1,000**	1,000
(b) Other equity	9	**14,182**	5,785
Total equity		**15,182**	6,785
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		**5,522**	3,816
(b) Employee benefit obligations	12	**332**	802
Total non-current liabilities		**5,854**	4,618
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		**1,116**	928
(ii) Trade payables		**-**	-
1. Dues of small enterprises and micro enterprises	6(g)	**-**	-
2. Dues of creditors other than small enterprises and micro enterprises	6(g)	**49,146**	33,680
(iii) Other financial liabilities	6(h)	**17,717**	8,131
(b) Unearned and deferred revenue	10	**478**	3,290
(c) Other liabilities	8(d)	**1,961**	5,903
(d) Provisions	8(e)	**-**	22
(e) Employee benefit obligations	12	**4,921**	4,055
(f) Income tax liabilities (net)		**209**	197
Total current liabilities		**75,548**	56,206
TOTAL EQUITY AND LIABILITIES		**96,583**	67,609
NOTES FORMING PART OF FINANCIAL STATEMENTS	**1-25**		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

Balajirao Pothana
Partner
Membership number : 122632
Mumbai, May 6, 2022

For and on behalf of the Board

Ramakrishna Mohan Veeturi
CEO and Managing Director
Place : Chennai
May 6, 2022

Krishnaswamy M Gopikumar
CFO, Director and Company Secretary
Place : United Sates of America
May 6, 2022

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Statement of Profit or Loss

(₹ in lakhs)

		Note	Year ended March 31, 2022	Year ended March 31, 2021
I.	Revenue from operations	10	**1,86,292**	1,48,941
II.	Other income (net)	11	**359**	9,998
III.	**TOTAL INCOME**		**1,86,651**	1,58,939
IV.	**Expenses:**			
	(a) Employee benefit expenses	12	**1,27,645**	1,07,990
	(b) Cost of equipment and software licenses		**-**	100
	(c) Finance costs	14	**570**	314
	(d) Depreciation and amortisation expense	7 & 8(a),(b)	**3,792**	3,048
	(e) Other expenses	13(a)	**43,224**	41,947
	TOTAL EXPENSES		**1,75,231**	1,53,399
V.	**PROFIT BEFORE TAX (III-IV)**		**11,420**	5,539
VI.	**Tax expense:**			
	(a) Current tax	15	**(44)**	1,563
	(b) Deferred tax	15	**3,021**	(1,028)
	TOTAL TAX EXPENSE		**2,977**	535
VII.	**PROFIT FOR THE YEAR**		**8,443**	5,004
VIII.	**OTHER COMPREHENSIVE LOSS**			
	(i) Items that will not be reclassified subsequently to profit or loss:			
	Remeasurement of defined employee benefit plans		**(62)**	(120)
	(ii) Income-tax on items that will not be reclassified subsequently to profit or loss		**16**	30
	TOTAL OTHER COMPREHENSIVE LOSS NET OF TAXES		**(46)**	(90)
IX.	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		**8,397**	4,914
X.	**Earnings per equity share:- Basic and diluted (₹)**	16	**844**	500
	Weighted average number of equity shares		**10,00,000**	10,00,000
NOTES FORMING PART OF FINANCIAL STATEMENTS		1-25		

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

Balajirao Pothana
Partner
Membership number : 122632
Mumbai, May 6, 2022

For and on behalf of the Board

Ramakrishna Mohan Veeturi
CEO and Managing Director
Place : Chennai
May 6, 2022

Krishnaswamy M Gopikumar
CFO, Director and Company Secretary
Place : United Sates of America
May 6, 2022

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 1, 2021	"Changes in equity share capital due to prior period errors"	"Restated balance as at April 1, 2021"	Change in Equity share capital during the year*	Balance as at March 31, 2022
1,000	**-**	**1,000**	**-**	**1,000**

(₹ in lakhs)

Balance as at April 1, 2020	"Changes in equity share capital due to prior period errors"	"Restated balance as at April 1, 2021"	Change in Equity share capital during the year*	Balance as at March 31, 2021
1,000	-	1,000	-	1,000

* Refer Note 6(m)

B. OTHER EQUITY

(₹ in lakhs)

	Reserves and surplus		Total other equity
	General reserve	Retained earnings	
Balance as at April 1, 2021	**403**	**5,382**	**5,785**
Profit for the year	**-**	**8,443**	**8,443**
Transfer from general reserve to retained earnings	**(403)**	**403**	**-**
Other comprehensive loss	**-**	**(46)**	**(46)**
Total comprehensive Income	**(403)**	**8,800**	**8,397**
Balance as at March 31, 2022	**-**	**14,182**	**14,182**
Balance as at April 1, 2020	403	468	871
Profit for the year	-	5,004	5,004
Other comprehensive loss	-	(90)	(90)
Total comprehensive Income	-	4,914	4,914
Balance as at March 31, 2021	403	5,382	5,785

Nature and purpose reserves

(a) General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

(b) Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

NOTES FORMING PART OF FINANCIAL STATEMENTS 1-25

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

Balajirao Pothana
Partner
Membership number : 122632

Mumbai, May 6, 2022

For and on behalf of the Board

Ramakrishna Mohan Veeturi
CEO and Managing Director
Place : Chennai
May 6, 2022

Krishnaswamy M Gopikumar
CFO, Director and Company Secretary
Place : United Sates of America

May 6, 2022

Statement of Cash Flows

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	**8,443**	5,004
Adjustments for:		
Depreciation and amortisation expense	**3,792**	3,048
Tax expense	**2,977**	535
Net gain on investment carried at fair value through profit or loss	**(47)**	(79)
Interest income	**(25)**	(253)
Loss on sale of property, plant and equipment	**16**	45
Finance costs	**570**	314
Bad debts and advances written off, provision for advances (net)	**68**	6
Unealised foreign exchange gain / (loss)	**37**	(10)
Unrealised gain / (loss) on investments carried at fair value through profit or loss	**(22)**	14
Dividend Income from subsidiaries	**-**	(9,673)
Assets written-off	**-**	198
(Gain) / Loss on lease modification	**-**	(5)
Operating profit / (loss) before working capital changes	**15,809**	(856)
Net change in:		
Trade receivables		
Billed	**(23,097)**	(14,696)
UnBilled	**(857)**	1,510
Other financial assets	**(84)**	(83)
Other assets	**53**	(4,476)
Loans	**(22)**	(79)
Trade payables	**16,009**	18,126
Other financial liabilities	**9,684**	30
Unearned and deferred revenues	**(2,812)**	(15,076)
Employee benefit obligations	**334**	907
Other liabilities and provisions	**(3,963)**	5,447
Cash generated from / (used in) operations	**11,054**	(9,246)
Taxes paid (net of refunds)	**(1,534)**	(878)
Net cash generated from / (used in) operating activities	**9,520**	(10,124)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for purchase of property, plant and equipment	**(1,348)**	(2,421)
Payment for purchase of intangibles	**(45)**	(2,626)
Proceeds from sale of property, plant and equipment	**-**	-
Purchase of investments	**(22,826)**	(13,635)
Proceeds from sale of investments	**14,987**	13,662
Proceeds from liquidation of wholly owned subsidiary	**130**	-
Proceeds from intercorporate deposits	**-**	1,200
Interest received	**26**	265
Dividend received from subsidiary	**-**	9,673
Net cash (used in) / generated from investing activities	**(9,076)**	6,118

Statement of Cash Flows (continued)

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liability	**(1,086)**	(812)
Interest paid	**(570)**	(296)
Net cash used in financing activities	**(1,656)**	(1,108)
Net change in cash and cash equivalents	**(1,212)**	(5,114)
Cash and cash equivalents, as at the beginning of the year	**5,047**	10,161
Cash and cash equivalents, as at the end of the year	**3,835**	5,047
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with banks		
-In current accounts	**3,835**	4,877
-In deposit accounts	**-**	170
	3,835	5,047

NOTES FORMING PART OF FINANCIAL STATEMENTS 1-25

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
Refer note 13(b) for amount spent during the years ended March 31, 2022 and 2021 relating to CSR activities.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

Balajirao Pothana
Partner
Membership number : 122632
Mumbai, May 6, 2022

For and on behalf of the Board

Ramakrishna Mohan Veeturi
CEO and Managing Director
Place : Chennai
May 6, 2022

Krishnaswamy M Gopikumar
CFO, Director and Company Secretary
Place : United Sates of America
May 6, 2022

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

TCS e-Serve International Limited (herein referred to as "the Company") is primarily engaged in the business of providing Business Process Outsourcing Services for its customers in banking, financial services and insurance domain. The Company's operations include delivering core business processing services, and support services for both data and voice processes.

The Company is incorporated and domiciled in India. The address of its registered Office is 9th Floor, Nirmal Building, Nariman Point, Mumbai 400021. Tata Consultancy Services Limited ("TCS Limited") and Tata Sons Private Limited are the holding company and the ultimate holding company, respectively.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 6, 2022.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

3. BASIS OF PREPARATIONS

These financial statements have been prepared on historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These financial statements have been prepared in Indian Rupee (₹), rounded off to nearest lakh, which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a) Revenue recognition

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

b) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

d) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

e) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

f) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

g) Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies

(Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

6. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, 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 asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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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 model 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.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit or loss.

Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.

Derivative accounting

- **Instruments not in hedging relationship**

The Company enters into contracts that are effective as hedges from an economic perspective, but they do not qualify for hedge accounting. The change in the fair value of such instrument is recognised in statement of profit or loss.

Impairment of financial assets (other than at fair value)

"The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition."

(a) Investments

Investments consist of the following:

Investments- non-current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Investment in subsidiary		
TCS e-Serve America Inc.	-	130
Fully paid equity shares (Unquoted)		
NIL (March 31, 2021: 27,600) shares of US$ 10 each fully paid up		
	-	130

TCS e-Serve America, Inc., a wholly owned subsidiary of the Company incorporated in USA, was liquidated w.e.f. December 29, 2021.

Investments - current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Investments carried at fair value through profit or Loss		
Mutual fund units (quoted)	**9,000**	1,091
	9,000	1,091

Aggregate value of quoted investments is as follows:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Aggregate value of quoted investments	**9,000**	1,091
Aggregate market value of quoted investments	**9,000**	1,091

(b) Trade receivables - Billed

Trade receivables - Billed (unsecured) consist of the following:

(₹ in lakhs)

Trade Receivables (unsecured), Considered good	As at March 31, 2022	As at March 31, 2021
	51,050	27,953
Trade receivables - Billed	**51,050**	27,953

Note : Above balances of trade receivables - billed include balances with related parties (Refer note 21).

Ageing for trade receivables - billed - current outstanding as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - billed							
(i) Undisputed trade receivables - considered good	**28,252**	**8,131**	**6,629**	**8,038**	**-**	**-**	**51,050**
(ii) Undisputed trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(iii) Undisputed trade receivables - credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(iv) Disputed trade receivables - considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(v) Disputed trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(vi) Disputed trade receivables - credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	28,252	**8,131**	**6,629**	**8,038**	**-**	**-**	**51,050**
Trade receivables - unbilled							**4,818**
							55,868

Ageing for trade receivables - billed - current outstanding as at March 31, 2021 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - billed							
(i) Undisputed trade receivables - considered good	18,000	9,953	-	-	-	-	27,953
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	18,000	9,953	-	-	-	-	27,953
Trade receivables - unbilled							3,694
							31,647

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(c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2020
Balances with banks		
- In current accounts	**3,835**	4,877
- In deposit accounts	**-**	170
	3,835	5,047

TCS e-Serve International Limited has unsecured working capital facilities agreement with Citibank N.A. aggregating to USD 22,000,000 (March 31, 2021 : USD 15 000 000 (unsecured limit) and USD 100,000 (secured limit)) for fund and non fund base facility. During the year, the company has not utilized this facility.

(d) Other balances with banks

Other balances with banks consist of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks (Balances held as margin money against guarantees)	**-**	6
	-	6

(e) Loans

Loans (unsecured) consist of the following:

Loans - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Considered good		
Loans and advances to employees	**69**	115
	69	115

(f) Other Financial Assets

Other financial assets consist of the following:

Other financial assets - Non-current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Considered good - Unsecured		
Interest receivable	**-**	1
Security deposits - Premises	**92**	75
Security deposits with related party	**201**	201
Security deposits with others	**607**	607
	900	884

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(g). Trade payables

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Dues of creditors other than small enterprises and micro enterprises*	**49,146**	33,680
Dues to small enterprises and micro enterprises	**-**	-
	49,146	33,680

* Above balances of trade payables include balances with related parties (Refer note 21).

1. Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2022 and March 31, 2021 is as under:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Dues remaining unpaid to any supplier		
Principal	**-**	-
Interest on the above	**-**	-
Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	**-**	-
Amount of interest accrued and remaining unpaid	**-**	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	**-**	-

2. Trade payables

(₹ in lakhs)

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars		Outstanding for following periods from due date of payment				
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables						
(i) MSME*	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Others	**2,407**	**25,556**	**10,688**	**2,805**	**6**	**41,462**
(iii) Disputed dues - MSME*	**-**	**-**	**-**	**-**	**-**	**-**
(iv) Disputed dues - Others	**-**	**-**	**-**	**-**	**-**	**-**
	2,407	**25,556**	**10,688**	**2,805**	**6**	**41,462**
Accrued expenses						**7,684**
						49,146

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Trade payables						
(i) MSME*	-	-	-	-	-	-
(ii) Others	4,844	19,638	2,735	4	-	27,221
(iii) Disputed dues - MSME*	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	4,844	19,638	2,735	4	-	27,221
Accrued expenses						6,459
						33,680

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

(h) Other Financial Liabilities

Other financial liabilities consist of the following:

Other financial liabilities - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Other liability with related party (refer note 21)	**9,280**	-
Capital creditors	**237**	335
Liabilities towards customer contracts	**1,099**	1,419
Accrued payroll	**7,076**	6,279
Others	**25**	98
	17,717	8,131

(i) Financial instruments by category

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Derivative instruments not in hedging relationship	Total carrying value
Financial assets:				
Cash and cash equivalents	**-**	**3,835**	**-**	**3,835**
Earmarked bank balances	**-**	**-**	**-**	**-**
Investments (other than in subsidiary)	**9,000**	**-**	**-**	**9,000**
Trade receivables				
Billed	**-**	**51,050**	**-**	**51,050**
Unbilled	**-**	**4,818**	**-**	**4,818**
Loans	**-**	**69**	**-**	**69**
Other financial assets	**-**	**1,013**	**-**	**1,013**
Total	**9,000**	**60,785**	**-**	**69,785**

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(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Derivative instruments not in hedging relationship	Total carrying value
Financial liabilities:				
Trade payables	**-**	**49,146**	**-**	**49,146**
Lease liabilities	**-**	**6,638**	**-**	**6,638**
Other financial liabilities	**-**	**17,717**	**-**	**17,717**
Total	**-**	**73,501**	**-**	**73,501**

The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

(₹ in lakhs)

	Fair value through profit or loss	Amortised cost	Derivative instruments not in hedging relationship	Total carrying value
Financial assets:				
Cash and cash equivalents	-	5,047	-	5,047
Earmarked bank balances	-	6	-	6
Investments (other than in Subsidiary)	1,091	-	-	1,091
Trade receivables				
Billed	-	27,953	-	27,953
Unbilled	-	3,961	-	3,961
Loans	-	115	-	115
Other financial assets	-	923	-	923
Total	1,091	38,005	-	39,096
Financial liabilities:				
Trade and other payables	-	33,680	-	33,680
Lease liabilities	-	4,744	-	4,744
Other financial liabilities	-	8,131	-	8,131
Total	-	46,555	-	46,555

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payables as at March 31, 2022 and 2021, approximate the fair value due to their nature. Carrying amounts of 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 years presented. Fair value measurement of lease liabilities is not required.

(j) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist 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 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):

(₹ in lakhs)

As of March 31, 2022:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	**9,000**	**-**	**-**	**9,000**
	9,000	**-**	**-**	**9,000**

(₹ in lakhs)

As of March 31, 2021:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	1,091	-	-	1,091
	1,091	-	-	1,091

(k) Derivative financial instruments and hedging activity

The Company's revenue is denominated in foreign currency predominantly US Dollar. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes the Company to currency fluctuations.

The Company has entered into derivative instruments not in hedging relationship by way of foreign exchange forward. As at March 31, 2022 and 2021, the notional amount of outstanding contracts aggregated to ₹ NIL lakhs and ₹ NIL lakhs, respectively and the respective fair value of these contracts have a net gain of ₹ NIL and ₹ NIL respectively.

Exchange loss of ₹ NIL lakhs and ₹ 27 lakhs on foreign exchange forward contracts that do not qualify for hedge accounting have been recognised in the statement of profit or loss for the years ended March 31, 2022 and 2021, respectively.

(l) Financial risk management:

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar and Australian Dollar, against the functional currency of the Company.

The Company uses derivative instruments primarily to hedge foreign exchange. Further, any movement in the functional currency of the various operations of the Company against major foreign currencies may impact the Company's revenue in international business.

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The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which could affect the statements of profit or loss and other comprehensive income and equity.

The following table sets forth information relating to unhedged foreign currency exposure as of March 31, 2022.

(₹ in lakhs)

	PHP	MXN	USD	AUD
Net financial assets	**4**	**25**	**58,944**	**359**
Net financial liabilities	**-**	**(266)**	**(57,946)**	**(393)**

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately ₹ 73 lakhs for the year ended March 31, 2022.

The following table sets forth information relating to unhedged foreign currency exposure as of March 31, 2021.

(₹ in lakhs)

	MXN	USD	AUD
Net financial assets	11	35,670	324
Net financial liabilities	(134)	(33,186)	(411)

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately ₹ 227 lakhs for the year ended March 31, 2021.

- **Interest rate risk**

The Company's investments are primarily in fixed rate interest bearing investments. Hence the Company is not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, investments, cash and cash equivalents, bank deposits and other financial assets.

No single bank holds more than 10% of the Company's total bank deposits as at March 31, 2022. None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assests represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 70,479 lakhs and ₹ 39,305 lakhs as of March 31,2022 and March 31,2021 respectively being the total of the carrying amount of balances with banks, bank deposits, trade receivables, contact assests, other financial assets and investments excluding equity.

Single customer contributing to more than 10% of outstanding trade receivable as of March 31, 2022 and March 31,2021 is as follows.

(₹ in lakhs)

	As at March 31, 2022		As at March 31, 2021	
	Trade receivables	**Percentage**	Trade receivables	Percentage
Customer A	**25,150**	**45%**	16,579	52%
Customer B	**- ***	**-**	4,234	13%
Customer C	**18,988**	**34%**	- *	-

* the amount is less than 10%, hence not disclosed.

- **Geographic concentration of credit risk**

The Company also has a geographic concentration of trade receivables, net of allowances and contact assets as given below:

Geographical concentration of credit risk is allocated based on the location of the customers.

(In %)

Geography	Year ended March 31, 2022	Year ended March 31, 2021
Americas	**77%**	98%
India	**22%**	-
Asia Pacific	**1%**	1%
Others	**-**	1%

"The allowance for lifetime expected credit loss on trade receivables was Nil in both the years.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as of:

(₹ in lakhs)

March 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Trade payables	**49,146**	**-**	**-**	**-**	**49,146**
Lease liabilities	**1,577**	**1,359**	**3,333**	**2,084**	**8,353**
Other financial liabilities	**17,717**	**-**	**-**	**-**	**17,717**
Total	**68,440**	**1,359**	**3,333**	**2,084**	**75,216**

(₹ in lakhs)

March 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Non-derivative financial liabilities:					
Trade payables	33,680	-	-	-	33,680
Lease liabilities	1,230	1,066	2,323	1,251	5,870
Other financial liabilities	8,131	-	-	-	8,131
Total	43,041	1,066	2,323	1,251	47,681

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(m) Equity Instruments

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
Authorised :				
Equity share capital	**25,00,00,000**	**2,500**	25,00,00,000	2,500
25,00,000 equity shares of ₹ 100 each				
(March 31, 2021 : 25,00,000 equity shares of ₹ 100 each)				
	25,00,00,000	**2,500**	25,00,00,000	2,500
Issued, subscribed and paid up:				
Equity share capital	**10,00,00,000**	**1,000**	10,00,00,000	1,000
10,00,000 equity shares of ₹100 each				
(March 31, 2020 : 10,00,000 equity shares of ₹ 100 each)				
	10,00,00,000	**1,000**	10,00,00,000	1,000

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.

Note:

- 10,00,000 (March 31, 2021 : 10,00,000) equity shares of ₹ 100/- each are held by Tata Consultancy Services Limited, the holding company and its nominees. Tata Sons Private Limited is the ultimate holding company.
- The Company does not have an employee stock option plan and no shares are reserved for issue under any such plan or for any contractual commitments.
- 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.

i. Reconciliation of number of shares

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	**Amount (₹ in lakhs)**	Number of shares	Amount (₹ in lakhs)
Opening balance	**10,00,000**	**1,000**	10,00,000	1,000
Changes during the year	**-**	**-**	-	-
Closing balance	**10,00,000**	**1,000**	10,00,000	1,000

ii. Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 100 each. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

iii. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2022	As at March 31, 2021
Equity shares		
Tata Consultancy Sevices Limited, the holding company	**10,00,000**	10,00,000
% of shareholding	**100%**	100%

iv. Disclosure of shareholding of promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Outstanding for following periods from due date of payment			% Change during the year
Promoter name	**No. of shares**	**% of total shares**	
Tata Consultancy Services Limited	9,99,994	99.9994%	No change
Tata Consultancy Services Limited jointly with its nominees	6	0.0006%	No change
Total	**10,00,000**	**100%**	

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Outstanding for following periods from due date of payment			% Change during the year
Promoter name	**No. of shares**	**% of total shares**	
Tata Consultancy Services Limited	9,99,994	99.9994%	No change
Tata Consultancy Services Limited jointly with its nominees	6	0.0006%	No change
Total	**10,00,000**	**100%**	

7. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit or loss.

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The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit 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 Company recognises any remaining amount of the re-measurement in statement of profit or loss.

The Company has elected not to apply the requirements of Ind AS 116 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 recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

The details of the right-of-use asset held by the Company is as follows:

(₹ in lakhs)

	Additions for the year ended March 31, 2022	Net carrying amount as at March 31, 2022	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Leasehold Buildings	**2,950**	**5,792**	2,240	4,080
	2,950	**5,792**	2,240	4,080

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

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Leasehold Buildings	**1,230**	927
	1,230	927

Interest on lease liabilities is ₹ 497 lakh and ₹ 313 lakh for the years ended March 31, 2022 and 2021, respectively.

The Company incurred ₹ 47 lakh and ₹ 262 lakh for the years ended March 31, 2022 and 2021, respectively towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 1,628 lakh and ₹ 1,369 lakh for the years ended March 31, 2022 and 2021, respectively including cash outflow for short term and low value leases. The Company does not have lease term extension options that are not reflected in the measurement of lease liabilities.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

8. NON FINANCIAL ASSETS AND NON FINANCIAL LIABILITIES

(a) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture and fixtures	5 years
Office equipment	5 years
Electrical installations	10 years

Depreciation is not recorded on capital work-in-progress as construction and installation are not complete and the asset is not ready for its intended use.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss.

Property, plant and equipment consist of the following:

(₹ in lakhs)

Description	Leasehold Improvements	Computer equipment	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2021	706	6,623	1,424	85	102	8,940
Additions	21	1,127	64	2	-	1,214
Disposals / adjustments	-	(105)	(455)	-	-	(560)
Cost as at March 31, 2022	727	7,645	1,033	87	102	9,594
Accumulated depreciation as at April 1, 2021	(140)	(2,639)	(422)	(20)	(37)	(3,258)
Depreciation for the year	(83)	(1,540)	(168)	(8)	(20)	(1,819)
Eliminated on disposals of assets	-	-	1	-	-	1
Accumulated depreciation as at March 31, 2022	(223)	(4,179)	(589)	(28)	(57)	(5,076)
Net carrying amount as at March 31, 2022	504	3,466	444	59	45	4,518
Capital work-in-progress*						271
						4,789

* ₹ 1,214 lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2022.

(₹ in lakhs)

Description	Leasehold Improvements	Computer equipment	Office equipment	Electrical installations	Furniture and fixtures	Total
Cost as at April 1, 2020	810	4,457	924	127	102	6,420
Additions	94	2,229	500	6	-	2,829
Disposals / adjustments	(198)	(63)	-	(48)	-	(309)
Cost as at March 31, 2021	706	6,623	1,424	85	102	8,940
Accumulated depreciation as at April 1, 2020	(79)	(1,456)	(146)	(14)	(17)	(1,712)
Depreciation for the year	(61)	(1,246)	(276)	(10)	(20)	(1,613)
Eliminated on disposals of assets	-	63	-	4	-	67
Accumulated depreciation as at March 31, 2021	(140)	(2,639)	(422)	(20)	(37)	(3,258)
Net carrying amount as at March 31, 2021	566	3,984	1,002	65	65	5,682
Capital work-in-progress*						236
						5,918

* ₹ 2,829 lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.

Capital work-in-progress

• Capital work-in-progress ageing

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

(₹ in lakhs)

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	**271**	**-**	**-**	**-**	**271**
	271	**-**	**-**	**-**	**271**

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

(₹ in lakhs)

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	236	-	-	-	236
	236	-	-	-	236

(b) Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over license period which equates the useful life ranging between 2-5 years on a straight line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss.

Intangible assets consist of the following:

(₹ in lakhs)

Description	Rights under licencing agreement and software licences	Total
Cost as at April 1, 2021	**2,957**	**2,957**
Additions	**45**	**45**
Disposals	**-**	**-**
Cost as at March 31, 2022	**3,002**	**3,002**
Accumulated amortisation as at April 1, 2021	**(532)**	**(532)**
Amortisation for the year	**(744)**	**(744)**
Eliminated on disposals of assets	**-**	**-**
Accumulated amortisation as at March 31, 2022	**(1,276)**	**(1,276)**
Net carrying amount as at March 31, 2022	**1,726**	**1,726**

(₹ in lakhs)

Description	Rights under licencing agreement and software licences	Total
Cost as at April 1, 2020	190	190
Additions	2,767	2,767
Disposals / adjustments	-	-
Cost as at March 31, 2021	2,957	2,957
Accumulated depreciation as at April 1, 2020	(25)	(25)
Amortisation for the year	(507)	(507)
Eliminated on disposals of assets	-	-
Accumulated depreciation as at March 31, 2021	(532)	(532)
Net carrying amount as at March 31, 2021	2,425	2,425

The estimated amortisation for the years subsequent to Mar 31,2022 is as follows

(₹ in lakhs)

Year ending March 31,	Amortisation expense
2023	**750**
2024	**726**
2025	**243**
2026	**7**
	1,726

(c) Other Assets

Other assets consist of the following:

Other non-current assets

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Considered good - Unsecured		
Indirect tax recoverable	**711**	744
Prepaid expenses	**17**	77
	728	821

Other current assets

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Considered good - Unsecured		
Prepaid expenses	**8**	20
Indirect tax recoverable	**3,811**	3,005
Advance to suppliers	**8**	1,784
Contract fulfillment costs	**3,150**	2,615
Contract assets	**694**	209
Others	**2**	-
	7,673	7,633

Contract fulfillment costs of ₹ 1939 lakhs and ₹ 446 lakhs for the years ended March 31, 2022 and 2021, respectively, have been amortised in the standalone statement of profit or loss. Refer note 10 for the changes in contract asset.

(d) Other Liabilities

Other liabilities consist of the following:

Other current liabilities

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Indirect tax payable and other statutory liabilities	**1,957**	5,721
Advance received from customer	**-**	18
Others	**4**	164
	1,961	5,903

(e) Provisions

Provisions consist of the following:

Provisions - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Provisions for forseeable losses on turnkey projects	**-**	22
	-	22

9. OTHER EQUITY

Other equity consist of the following:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
General reserve		
Opening balance	**403**	403
Transfer to retained earnings	**(403)**	-
	-	403
Retained earnings		
Opening balance	**5,382**	468
Transfer from general reserve to retained earnings	**403**	-
Profit for the year	**8,443**	5,004
Remeasurement of defined employee benefit plans	**(46)**	(90)
	14,182	5,382
	14,182	5,785

Note: Refer Statement of Changes in Equity for nature and purpose of general reserve.

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing Business Process Outsourcing Services for its customers in banking, financial services and insurance domain.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes collected from customers

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue from intercompany is recognised based on transaction price which is at arm's length.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue 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 is billings in excess of revenues.

The billing schedules agreed with customers could include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Revenue disaggregation by nature of services is as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Consultancy services	**1,86,292**	1,48,803
Sale of equipment and software licences	**-**	138
Total	**1,86,292**	1,48,941

For details of disaggregation of revenues from contracts with customers by industry verticals and geography refer Note(18).

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Revenue disaggregation by industry vertical is as follows.

(₹ in lakhs)

Industry Vertical	Year ended March 31, 2022	Year ended March 31, 2021
Banking, Financial Services and Insurance	**1,78,217**	1,38,227
Life Sciences and Healthcare	**3,440**	1,243
Manufacturing	**825**	780
Retail and Consumer Business	**632**	246
Communication, Media and Technology	**704**	687
Others	**2,474**	7,758
	1,86,292	1,48,941

Revenue disaggregation by Geography is as follows :

(₹ in lakhs)

Geography	Year ended March 31, 2022	Year ended March 31, 2021
Americas	**1,80,994**	1,43,285
Asia Pacific	**3,465**	3,900
Europe	**661**	645
India	**652**	612
United Kingdom	**487**	420
Middle East and Africa	**33**	79
	1,86,292	1,48,941

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

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 17,943 lakhs out of which 73.64% is expected to be recognized as revenue within the next one year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**209**	-
Invoices raised that were included in the contract assets balance at the beginning of the year	**551**	209
Increase due to revenue recognised during the year, excluding amounts billed during the year	**(87)**	-
Translation exchange difference	**21**	-
Balance at the end of the year	**694**	209

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Changes in unearned and deferred revenue are as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**3,290**	18,367
Invoices raised that were included in the contract assets balance at the beginning of the year	**(3,290)**	(11,960)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**419**	(3,947)
Translation exchange difference	**59**	830
Balance at the end of the year	**478**	3,290

Reconciliation of revenue recognised with the contracted price is as follows :

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue as per Contract price	**1,95,069**	1,56,971
(-) Volume / Cash Discount	**7,721**	7,556
(-) Service Credit	**1,056**	474
Revenue recognised	**1,86,292**	1,48,941

The reduction towards variable consideration comprises of volume discount, service level credits, etc.

11. OTHER INCOME

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

Other income consist of the following

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income	**25**	253
Dividend income from subsidiaries	**-**	9,673
Net gain on investment carried at fair value through profit or loss	**47**	79
Unrealised gain / (loss) on investments carried at fair value through profit or loss	**22**	(14)
Net foreign exchange gain	**253**	-
Rent income	**12**	8
	359	9,998
Interest income consist of the following:		
Interest income on bank deposits	**-**	12
Interest on income tax refund	**19**	227
Interest income on financial assets at amortised cost	**6**	14

12. EMPLOYEE BENEFITS

The Company has both defined contribution and defined benefit plans. The plans are financed by the Company and in case of some defined contribution plans, by the Company along with its employees.

(i) Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Past service cost both, vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations.

(ii) Defined contribution plans

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

(iii) 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.

(iv) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Employee benefit expenses consist of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, incentives and allowances	**1,06,345**	91,566
Contributions to provident and other funds	**9,903**	8,393
Staff welfare expenses	**11,397**	8,031
	1,27,645	1,07,990

Employee benefit obligations - Non-current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Gratuity liability	**332**	802
	332	802

Employee benefit obligations - Current

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Compensated absences	**4,324**	3,981
Foreign retirement benefits	**16**	20
Gratuity liability	**581**	54
	4,921	4,055

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Defined Benefit Plan

Gratuity

In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Company manages the plan through a trust. Trustees administer contributions made to the trust. Certain overseas branches of the Company also provide for retirement benefit pension plans in accordance with the local laws.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations.

The following table sets out the details of the defined benefit retirement plans and the amounts recognized in the financial statements:

Defined benefit retirement plan :

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	Domestic Plan Funded	**Foreign Plan Unfunded**	Domestic Plan Unfunded	Foreign Plan Unfunded
Change in benefit obligations:				
Benefit obligations, beginning of the year	**856**	**20**	610	-
Service cost	**192**	**9**	129	11
Interest cost	**55**	**1**	37	-
Liability Transferred In/ Acquisitions	**330**	**-**	-	-
(Liability Transferred Out/ Divestments)	**(14)**	**-**	-	-
Remeasurement of the net defined benefit liability	**76**	**(14)**	112	8
Benefits paid	**(87)**	**(2)**	(32)	-
Translation exchange difference	**-**	**2**	-	1
Benefit obligations end of the year	**1,408**	**16**	856	20

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	Domestic Plan Funded	**Foreign Plan Unfunded**	Domestic Plan Unfunded	Foreign Plan Unfunded
Change in plan assets:				
Fair value of plan assets, beginning of the year	**-**	**-**	-	-
Employer's contribution	**267**	**-**	-	-
Assets Transferred In/Acquisitions	**330**	**-**	-	-
(Assets Transferred Out/ Divestments)	**(14)**	**-**	-	-
Benefits paid	**(87)**	**-**	-	-
Fair value of plan assets, end of the year	**496**	**-**	-	-

(₹ in lakhs)

	As at March 31, 2022 Domestic Plan Funded	As at March 31, 2022 Foreign Plan Unfunded	As at March 31, 2021 Domestic Plan Unfunded	As at March 31, 2021 Foreign Plan Unfunded
Funded status				
Deficit of plan assets over obligations	**(912)**	**(16)**	(856)	(20)
Surplus of plan assets over obligations	**-**	**-**	-	-
	(912)	**(16)**	(856)	(20)

(₹ in lakhs)

	As at March 31, 2022 Domestic Plan Funded	As at March 31, 2022 Foreign Plan Unfunded	As at March 31, 2021 Domestic Plan Unfunded	As at March 31, 2021 Foreign Plan Unfunded
Category of assets				
Bank balances	**496**	**-**	-	-
	496	**-**	**-**	**-**

Net periodic gratuity included in employee costs consists of following:

(₹ in lakhs)

	As at March 31, 2022 Domestic Plan Funded	As at March 31, 2022 Foreign Plan Unfunded	As at March 31, 2021 Domestic Plan Unfunded	As at March 31, 2021 Foreign Plan Unfunded
Service cost	**192**	**9**	129	11
Net interest on net defined benefit liability	**55**	**1**	37	-
Net periodic gratuity	**247**	**10**	166	11

Remeasurement of net defined benefit liability:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Actuarial (gains) and losses arising from changes in demographic assumptions	**12**	18
Actuarial (gains) and losses arising from changes in financial assumptions	**(131)**	(39)
Actuarial (gains) and losses arising from changes in experience adjustments	**181**	142
Remeasurement of the net defined benefit liability	**62**	121

The assumptions used in accounting for the defined benefit plan are set out below:

	As at March 31, 2022 India	As at March 31, 2022 Mexico	As at March 31, 2021 India	As at March 31, 2021 Mexico
Discount rate	**7.23%**	**8.30%**	6.44%	6.50%
Rate of increase in compensation levels of covered employees	**6.00%**	**4.64%**	6.00%	4.64%
Weighted average duration of defined benefit obligations	**13 years**	**-**	13 years	-

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Future mortality assumptions are taken based on the published statistics by the Insurance Regulatory and Development Authority of India.

The expected benefits are based on the same assumptions as are used to measure the Company's defined benefit plan obligations as of March 31, 2022. The Company is expected to contribute ₹ 581 lakhs to defined benefit plan obligations funds for the year ending March 31, 2023.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
	India	India
Increase of 0.50%	**(76)**	(45)
Decrease of 0.50%	**84**	50

If the expected salary growth increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
	India	India
Increase of 0.50%	**84**	50
Decrease of 0.50%	**(77)**	(46)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

The defined benefit obligations shall mature after year ended March 31, 2022 as follows:

(₹ in lakhs)

Year ending March 31,	Defined Benefit Obligation
2023	**79**
2024	**82**
2025	**93**
2026	**93**
2027	**96**
2028 to 2030	**516**

Defined contribution plans

Provident fund

Contribution towards provident fund is made to regulatory authorities and the Company does not have any legal or informal obligation to pay additional funds.

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

The Company contributed ₹ 765 lakhs and ₹ 448 lakhs to the provident fund for the year ended March 31, 2022 and March 31, 2021, respectively.

Foreign defined contribution plan

The Company contributed ₹ 1,697 lakhs and ₹ 1,637 lakhs for the years ended March 31, 2022 and 2021, respectively, towards foreign defined contribution plans.

13. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses majorly include fees to external consultants, cost of running its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for delinquent receivables and advances and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

(a) Other Expenses

Other operating expenses consist of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Fees to external consultants	**31,642**	29,278
Project expenses	**3,114**	5,348
Facility running expenses	**1,875**	2,008
Corporate expenses	**1,968**	1,408
Travel expenses	**32**	15
Communication expenses	**2,282**	1,738
Bad debts and advances written off, provision for advances (net)	**68**	**6**
Net loss on disposal of property, plant and equipment	**16**	45
Net foreign exchange loss	**-**	910
Miscellaneous expenses	**2,227**	1,191
	43,224	41,947

(b) Corporate Social Responsibility (CSR) expenditure

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended March 31, 2022 and 2021 is ₹ NIL lakhs and ₹ NIL lakhs, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on CSR. The Company incurred an amount of ₹ NIL lakhs and ₹ NIL lakhs during the year ended March 31, 2022 and 2021, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

14. FINANCE COSTS

Finance costs consist of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilites	**497**	313
Interest expenses on delayed payment of statutory dues	**73**	1
	570	314

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

Current income taxes

Current income tax expense comprises taxes on income from operations in India and overseas. Income tax payable in India is determined in accordance with the provisions 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.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction, provided the Company has a legally enforceable right to set off the recognised amounts and intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where 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 the 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.

The Income-tax expense consist of the following:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax expense		
Current tax expense for current year	**12**	1,720
Current tax (benefit)/expense pertaining to prior years	**(56)**	(157)
	(44)	1,563
Deferred tax expense		
Deferred tax (benefit)/expense for current year	**2,931**	(1,040)
Deferred tax (benefit)/expense pertaining to prior years	**90**	12
	3,021	(1,028)
	2,977	535

The reconciliation of estimated income-tax expense at Indian statutory income tax rate to the income tax expense reported in the statement of profit or loss is as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before income taxes	**11,420**	5,539
India statutory Income tax rate	**25.17%**	25.17%
Expected Income tax expense	**2,874**	1,394
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax pertaining to prior years	**34**	(145)
Permanent disallowance	**-**	1
Tax on income at different rates	**-**	(715)
Others	**69**	-
	2,977	535

Deferred tax assets and liabilities are as follows:

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets (net)	**4,060**	7,065
	4,060	7,065

Significant components of net deferrred tax assests and liabilities for the year ended March 31, 2022 consist of following:

(₹ in lakhs)

Deferred tax assets (net)	Opening balance	Recognised/ reversed through P&L	Recognised in/ reclassified from comprehensive income	Closing balance
Property, plant and equipment and intangible assets	**(315)**	**504**	**-**	**189**
Provision for employee benefits	**1,211**	**58**	**16**	**1,286**
Lease	**178**	**35**	**-**	**213**
Operating loss carry forward	**5,959**	**(3,585)**	**-**	**2,374**
Unrealised gain on securities carried at fair value through profit or loss	**3**	**(9)**	**-**	**(6)**
Others	**28**	**(24)**	**-**	**4**
	7,065	**(3,021)**	**16**	**4,060**

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Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at March 31, 2022	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	**189**	**-**	**189**
Provision for employee benefits	**1,286**	**-**	**1,286**
Lease	**213**	**-**	**213**
Operating loss carry forward	**2,374**	**-**	**2,374**
Unrealised gain on securities carried at fair value through profit or loss	**-**	**6**	**(6)**
Others	**4**	**-**	**4**
Total deferred tax assets / (liabilities)	**4,066**	**6**	**4,060**

Significant components of net deferrred tax assests and liabilities for the year ended March 31, 2021 consist of following:

(₹ in lakhs)

Deferred tax assets (net)	Opening balance	Recognised/ reversed through P&L	Recognised in/ reclassified from comprehensive income	Closing balance
Property, plant and equipment and intangible assets	(124)	(191)	-	(315)
Provision for employee benefits	955	226	30	1,211
Lease	152	26	-	178
Operating loss carry forward	5,001	958	-	5,959
Unrealised gain on securities carried at fair value through profit or loss	3	-	-	3
Others	20	8	-	28
	6,007	1,028	30	7,065

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)

As at March 31, 2021	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	-	315	(315)
Provision for employee benefits	1,211	-	1,211
Lease	178	-	178
Operating loss carry forward	5,959	-	5,959
Unrealised gain on securities carried at fair value through profit and loss	3	-	3
Others	28	-	28
Total deferred tax assets / (liabilities)	7,380	315	7,065

Under the Income-tax Act, 1961, unabsorbed business losses expire 8 years after the year in which they originate.

Company has recognized deferred tax asset of ₹ 2374 lakhs relating to business losses. These unexpired business losses will expire based on the year of origination as follows:

(₹ in lakhs)

March 31,	Unabsorbed business losses
2027	**-**
2028	**7,849**
2029	**1,583**

Contingent liabilities on direct tax matters

The Company has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deduction, computation or eligibility of tax incentives and allowances and characterisation of fees for services received. The Company has recognised contingent liability in respect of tax demands received from direct tax authorities in India of ₹ 319 lakhs and ₹ 222 lakhs as at March 31, 2022 and 2021, respectively. These demand orders are being contested by the Company based on the management evaluation and advise of tax consultants.

16. EARNINGS PER SHARE

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

	As at March 31, 2022	As at March 31, 2021
(Loss)/profit for the year (₹ lakhs)	**8,443**	5,004
Amount available for shareholder (₹ lakhs)	**8,443**	5,004
Weighted average number of shares	**10,00,000**	10,00,000
Earning per share basic and diluted (₹)	**844**	500
Face value per equity share (₹)	**100**	100

17. AUDITOR'S REMUNERATION

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Services as statutory auditor	**9**	9
Tax Audit	**3**	2
Re-imbursement of out-of-pocket expense	**1**	1
	13	12

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 Company's chief operating decision maker is the Chief Executive Officer and Managing Director.

The Company has identified business segments (industry practice) as reportable segments. The business segments comprise: 1) Banking, Financial Services and Insurance 2) Retail and Consumer Business and 3) Others such as Manufacturing, Telecom, Media and entertainment, Hi-tech.

The Company has classified Travel, Transportation and Hospitality to the Retail and Consumer Business.

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

The assets and liabilities of the Company are used interchangeably amongst segments. Allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence assets and liabilities have not been identified to any of the reportable segments.

Summarised segment information for the year ended March 31, 2022 is as follows:

Year ended March 31, 2022 (₹ in lakhs)

Particulars	**Business segments**			
	Banking, Financial Services and Insurance	**Retail and Consumer Business**	**Others**	**Total**
Revenue	**1,78,217**	**632**	**7,443**	**1,86,292**
Segment result	**16,604**	**7**	**(1,758)**	**14,853**
Total Unallocable expenses				**3,792**
Operating losses				**11,061**
Other income (net)				**359**
Profit before taxes				**11,420**
Tax expense				**2,977**
Profit for the year				**8,443**
Depreciation and amortisation expense (unallocable)				**(3,792)**

Summarised segment information for the year ended March 31, 2021 is as follows:

Year ended March 31, 2021 (₹ in lakhs)

Particulars	**Business segments**			
	Banking, Financial Services and Insurance	**Retail and Consumer Business**	**Others**	**Total**
Revenue	1,38,227	246	10,468	1,48,941
Segment result	(3,244)	(67)	1,899	(1,411)
Total Unallocable expenses				3,048
Operating losses				(4,459)
Other income (net)				9,998
Profit before taxes				5,539
Tax expense				535
Profit for the year				5,004
Depreciation and amortisation expense (unallocable)				(3,048)

Geographical non-current assets (property, plant and equipment, Right-of-use assets, intangible assets, advance income tax and other non-current assets) are allocated based on the location of the assets.

(₹ in lakhs)

Geography	As at March 31, 2022	As at March 31, 2021
India	**8,603**	5,428
Americas	**5,798**	8,112
Latin America	**596**	136
UK	**-**	7
Total	**14,997**	13,683

Geographical revenue is allocated based on the locations of the customers.
Revenue disaggregation by Geography is as follows :

(₹ in lakhs)

Geography	As at March 31, 2022	As at March 31, 2021
Americas	**1,80,994**	1,43,285
Others	**5,298**	5,656
Total	**1,86,292**	1,48,941

Information about major customers

Customers contributing 10% or more of Company's total revenue are as follows:

(₹ in lakhs)

	Year ended March 31, 2022	Percentage	Year ended March 31, 2021	Percentage
Customer A	86,359	46%	73,663	50%
Customer B	26,816	14%	24,987	17%
Customer C	- *	-	14,469	10%

* the amount is less than 10%, hence not disclosed.

19. COMMITMENTS AND CONTINGENCIES

Capital commitments

"The Company has contractually committed (net of advances) ₹ 781 lakhs and ₹ 227 lakhs as at March 31, 2022 and March 31, 2021, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

Refer note 15.

20. 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 has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and 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.

21. RELATED PARTY TRANSACTIONS

Names of related parties and nature of relationship:

Enterprises that directly, or indirectly through one or more intermediaries, control or are under common control with the Company:

(a) Ultimate holding company
Name of the Enterprise
Tata Sons Private Limited

(b) Holding Company
Name of the Enterprise
Tata Consultancy Services Limited (TCS)

(c) Subsidiary
Name of the Enterprise
TCS e-Serve America, Inc. (liquidated w.e.f. December 29, 2021).
TCS e-Serve International Ltd Employee Welfare Benefit Trust

(d) Subsidiaries of ultimate holding company with whom company has transaction
Name of the Enterprise
Tata Asset Management Limited

(e) Fellow Subsidiaries with whom the Company has transactions
Name of the Enterprise
Tata America International Corporation
Tata Consultancy Services de Mexico S.A. De C.V.
MGDC S.C.
TCS Switzerland Ltd.
Tata Consultancy Services (Philippines) Inc.

(f) Key managerial personnel -
Mr. Ramakrishna Mohan Veeturi (CEO and Managing Director)
Mr. Krishnaswamy M Gopikumar (Chief Financial Officer, Director and Company Secretary)

The key management personnel of the Company are on deputation from and draw remuneration from TCS. Service charges are payable by the Company to TCS.

Transactions with related parties are as follows:

(₹ in lakhs)

Nature of transactions	Name of Related Party	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	**Tata Consultancy Services Limited**	**47,217**	31,169
	Subsidiaries of Tata Consultancy Services Limited	**276**	438
	Tata America International Corporation	-	21
	TCS Switzerland Ltd.	276	394
	Subsidiary of the Company		
	TCS e-Serve America Inc.	-	23
Reimbursement under contract	**Tata Consultancy Services Limited**	**43,229**	-
Rental Income	**Tata Consultancy Services Limited**	**20**	12
Dividend Income	**TCS e-Serve America Inc.**	**-**	9,673

(₹ in lakhs)

Nature of transactions	Name of Related Party	Year ended March 31, 2022	Year ended March 31, 2021
Purchases of goods and services (including reimbursements)	**Tata Sons Private Limited, its subsidiaries and associates**	**535**	-
	Tata Sons Private Limited	535	-
	Tata Consultancy Services Limited	**28,862**	19,566
	Subsidiary of Tata Consultancy Services Limited	**227**	(779)
	Tata America International Corporation	555	597
	MGDC S.C.	-	6
	Tata Consultancy Services (Philippines) Inc.	(328)	-
	Subsidiary of the Company		
	TCS e-Serve America Inc.	-	(1,382)
Facility expenses	**Tata Consultancy Services Limited**	**1,393**	1,504
	Subsidiary of Tata Consultancy Services Limited	**43**	138
	Tata America International Corporation	-	1
	Subsidiary of the Company	43	20
	TCS e-Serve America Inc.	-	22
	Subsidiary of the Company		
	TCS e-Serve America Inc.	-	95
Lease rental	**Tata Consultancy Services Limited**	**1,013**	738
	Subsidiary of Tata Consultancy Services Limited	**73**	26
	Tata America International Corporation	73	26
	Subsidiary of the Company	**-**	63
	TCS e-Serve America Inc.	-	63
Security deposits - Premises	**Tata Consultancy Services de Mexico S.A. De C.V.**	**11**	-
Loans and advances taken	**Tata Consultancy Services de Mexico S.A. De C.V.**	**47**	69
Loan and advances repaid	**Tata Consultancy Services de Mexico S.A. De C.V.**	**47**	69
Purchase of property, plant and equipment	**Tata Consultancy Services Limited**	**119**	-
	Subsidiary of the Company		
	TCS e-Serve America Inc.	**-**	55
Transfer of Tax Assets	**TCS e-Serve America Inc.**	**-**	398
Transfer of Tax liabilities	**TCS e-Serve America Inc.**	**-**	446
Transfer of other liabilities	**TCS e-Serve America Inc.**	**-**	36

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(₹ in lakhs)

Balances receivable with related parties	Name of Related Party	As at March 31, 2022	As at March 31, 2021
Trade receivables and contract assets	**Tata Consultancy Services Limited**	**25,762**	5,722
	Subsidiaries of Tata Consultancy Services Limited	**97**	113
	TCS Switzerland Ltd.	26	113
	Tata Consultancy Services (Philippines) Inc.	72	-
Loans, other financial assets and other assets	**Tata Consultancy Services Limited**	**308**	233
	Subsidiaries of Tata Consultancy Services Limited	**11**	-
	Tata Consultancy Services de Mexico S.A. De C.V.	11	-

(₹ in lakhs)

Balances payable to related parties	Name of Related Party	As at March 31, 2022	As at March 31, 2021
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	**Tata Sons Private Limited, its subsidiaries and associates**	**245**	-
	Tata Sons Private Limited	245	-
	Tata Consultancy Services Limited	**48,438**	23,091
	Subsidiary of Tata Consultancy Services Limited	**1,307**	659
	Tata America International Corporation	1,307	648
	Tata Consultancy Services de Mexico S.A. De C.V.	**-**	3
	MGDC S.C.	**-**	8
Lease liability	**Tata Consultancy Services Limited**	**4,188**	1,945
	Subsidiary of Tata Consultancy Services Limited	**62**	128
	Tata America International Corporation	62	128

Compensation to key managerial personnel *

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Short term benefits	**40**	37
	40	37

* The Chief Executive Officer and Managing Director and Chief Financial Officer, Director and Company Secretary of the Company are on deputation and draw remuneration from Tata Consultancy Services Limited. Service charges are payable by the Company to Tata Consultancy Services Limited.

The above amounts do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

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22. The sitting fees and commission paid to non-executive directors is ₹ NIL and ₹ Nil lakhs as at March 31, 2022 and 2021, respectively.

23. ADDITIONAL REGULATORY INFORMATION

- **Ratios**

Ratio	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason For Variance
Current ratio (in times)	Total current assets	Total current liabilities	1.01	0.81	24.97%	Increase in current ratio is due to increase in current financial assets.
Debt-Equity ratio (in times)	Debt consists of borrowings and lease libilities	Total equity	0.44	0.70	-37.47%	Due to increase in the Total Equity on account of current years profit, the Debt-Equity ratio has improved over previous year.
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operatonal expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	7.77	7.70	0.82%	
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	76.87%	115.62%	-33.51%	Despite the increase in profit for the year the ratio has reduced because of the Increase in the average total equity as compared to the previous year.
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.24	5.88	-27.84%	Variance is due to higher increase in revenue by ₹.37,351 lakhs as compared to increase in receivables by ₹ 18,570 lakhs.
Trade payables turnover ratio (in times)	Cost of equipment and software licences + Other expenses	Average trade payables	1.04	1.71	-38.89%	Variance is due to minor increase in cost by ₹.1,177 lakhs as compared to higher increase in average payables by ₹ 16,796 lakhs.
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	(38.74)	(12.90)	200.24%	Variance is due to increase in revenue by ₹ 37,351 lakhs as compared to increase in average working capital by ₹ 6,734 lakhs.
Net profit ratio (in %)	Profit for the year	Revenue from operations	4.53%	3.36%	34.90%	Improvement in ratio is on account of to increased profits for the current financial year.
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities	54.95%	50.77%	8.23%	
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	0.55%	1.13%	-51.21%	Reduction in ROI is due to lower income generated from investments.

24. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

25. SUBSEQUENT EVENTS:

There were no subsequent events as on the date on which the financials were available for issue.

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Subsequent to March 31, 2022, the Board of Directors of the Company have not proposed any dividend.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

Balajirao Pothana
Partner
Membership number : 122632
Mumbai, May 6, 2022

For and on behalf of the Board

Ramakrishna Mohan Veeturi
CEO and Managing Director
Place : Chennai
May 6, 2022

Krishnaswamy M Gopikumar
CFO, Director and Company Secretary
Place : United Sates of America
May 6, 2022

TCS Foundation

FINANCIAL STATEMENTS

For the year ended
March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
TCS FOUNDATION

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TCS Foundation (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Income and Expenditure, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its excess of income over expenditure, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Back to content

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, since the Order is not applicable to the Company, being a company licensed to operate under Section 8 of the Companies Act, 2013, as specified in paragraph 1(2)(iii) of the said Order.
2. (A) As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The balance sheet, the statement of income and expenditure, the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;

   (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (a) The Company does not have any pending litigations which would impact its financial position;

   (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   (d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

   - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company

     or

   - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party

  or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

(C) The Company has neither declared nor paid any dividend during the year. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
UDIN: 22130778AHBUFC5334

Mumbai, 14 April 2022

Annexure – A to the Independent Auditor's Report for the year ended 31 March 2022

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of TCS Foundation ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
UDIN: 22130778AHBUFC5334

Mumbai, 14 April 2022

Balance Sheet

(₹ crore)

	Note	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	10	**0.01**	0.02
(b) Right-of-use assets	17	**1.23**	1.85
(c) Financial assets			
(i) Loans	11	**283.86**	-
(ii) Other financial assets	12(i)	**425.22**	0.13
(d) Income tax assets	27	**9.21**	9.68
Total non-current assets		**719.53**	11.68
Current assets			
(a) Financial assets			
(i) Investments	13	**84.97**	161.15
(ii) Cash and cash equivalents	14	**0.83**	0.95
(iii) Loans	11	**644.04**	887.11
(iv) Other financial assets	12(ii)	**24.94**	31.46
(b) Other assets	15	**2.16**	-
Total current assets		**756.94**	1,080.67
TOTAL ASSETS		**1,476.47**	1,092.35
II. EQUITY AND LIABILITIES			
Equity			
(a) Share capital	16	**1.00**	1.00
(b) Other equity	18	**1,465.99**	1,086.78
Total equity		**1,466.99**	1,087.78
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		**0.48**	1.08
Total non current liabilities		**0.48**	1.08
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		**0.60**	0.55
(ii) Trade payables			
(1) Dues of micro enterprises and small enterprises	32	**-**	-
(2) Dues of creditors other than micro enterprises and small enterprises	20	**6.84**	1.68
(iii) Other financial liabilities	19	**-**	0.03
(b) Other liabilities	21	**1.56**	1.23
Total current liabilities		**9.00**	3.49
TOTAL EQUITY AND LIABILITIES		**1,476.47**	1,092.35

III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-34

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
Mumbai, April 14, 2022

For and on behalf of the Board

Ajoyendra Mukherjee
Director

NG Subramaniam
Director

Mumbai, April 14, 2022

Statement of Income and Expenditure

(₹ crore)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
I. Income	22	**679.87**	350.60
II. Other income (net)	23	**50.44**	63.82
III. TOTAL INCOME		**730.31**	414.42
IV. Expenditure:			
(a) Grants	24	**264.87**	252.05
(b) Project expenses	24	**85.29**	68.84
(c) Depreciation expense		**0.63**	0.42
(d) Other operating expenses	25	**0.20**	0.23
(e) Finance costs	26	**0.11**	0.03
TOTAL EXPENDITURE		**351.10**	321.57
V. EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR (III-IV)		**379.21**	92.85

VI. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-34

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
Mumbai, April 14, 2022

For and on behalf of the Board

Ajoyendra Mukherjee
Director

NG Subramaniam
Director

Mumbai, April 14, 2022

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

(₹ crore)

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
1.00	-	1.00

(₹ crore)

Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1.00	**-**	**1.00**

B. OTHER EQUITY

(₹ crore)

	Reserve and Surplus	Total Other Equity
	Retained earnings	
Balance as at April 1, 2020	993.93	993.93
Excess of income over expenditure	92.85	92.85
Other comprehensive income	-	-
Total comprehensive income	92.85	92.85
Balance as at March 31, 2021	1,086.78	1,086.78
Balance as at April 1, 2021	**1,086.78**	**1,086.78**
Excess of income over expenditure	**379.21**	**379.21**
Other comprehensive income	**-**	**-**
Total comprehensive income	**379.21**	**379.21**
Balance as at March 31, 2022	**1,465.99**	**1,465.99**

Nature and purpose of reserves:

Retained earnings

This reserve represents accumulated excess of income over expenditure of the Company as on the balance sheet date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1- 34

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board

Rajesh Shetty
Partner
Membership No: 130778
Mumbai, April 14, 2022

Ajoyendra Mukherjee
Director

NG Subramaniam
Director

Mumbai, April 14, 2022

Statement of Cash Flows

(₹ crore)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
I. CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of income over expenditure after tax for the year		**379.21**	92.85
Adjustments for:			
Net gain on Investments		**(4.17)**	(2.44)
Depreciation expense		**0.63**	0.42
Interest Income		**(46.26)**	(61.38)
Finance costs		**0.11**	0.03
Operating income over expenditure before working capital changes		**329.52**	29.48
Net change in			
Other assets		**(2.16)**	0.07
Other financial assets		**(0.01)**	(0.17)
Trade payables		**5.16**	(0.65)
Other liabilities		**0.33**	0.08
Other financial liabilities		**(0.03)**	-
Cash generated from operations		**332.81**	28.81
Taxes paid (net of refunds)		**0.47**	0.19
Net cash provided by operating activities		**333.28**	29.00
II. CASH FLOWS FROM INVESTING ACTIVITIES			
Bank deposits placed		**(425.00)**	-
Purchase of investments carried at fair value through profit and loss		**(6.87)**	(167.00)
Proceeds from disposal / redemption of investments carried at fair value through profit and loss		**87.22**	61.70
Inter-corporate deposits placed		**(927.90)**	(887.11)
Proceeds from inter-corporate deposits		**887.11**	894.89
Interest received		**52.70**	67.65
Net cash used in investing activities		**(332.74)**	(29.87)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		**(0.55)**	(0.65)
Interest paid		**(0.11)**	(0.03)
Net cash used in financing activities		**(0.66)**	(0.68)
Net change in cash and cash equivalents		**(0.12)**	(1.55)
Cash and cash equivalents at the beginning of the year		**0.95**	2.50
Cash and cash equivalents at the end of the year	14	**0.83**	0.95

IV. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-34

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Shetty
Partner
Membership No: 130778
Mumbai, April 14, 2022

For and on behalf of the Board

Ajoyendra Mukherjee
Director

NG Subramaniam
Director

Mumbai, April 14, 2022

Notes forming part of the Financial Statements

1) CORPORATE INFORMATION

TCS Foundation (referred to as "the Company") was incorporated on March 13, 2015 as a company registered under Section 8 of the Companies Act, 2013. The Company is engaged in promoting and funding projects and / or programs, relating to Corporate Social Responsibility (CSR) as required by Section 135 read with Schedule VII to the Companies Act, 2013 such as eradication of hunger, poverty and malnutrition; promotion of health care especially for the poor; promotion of education; development of skills; promotion of gender equality; empowerment of women; environmental sustainability; protection of national heritage; promotion of sports; promotion of scientific research especially in the area of technology; helping differently-able persons; providing vocational training; providing sanitation facilities; support to rural development projects. The Company is a 100% subsidiary of Tata Consultancy Services Limited ("TCS"), the ultimate holding company is Tata Sons Private Limited.

The Company incurs expenditure by way of grants given towards objects which furthers the cause of the Company and project expenses which represent initiatives / activities undertaken by the Company. The Company is incorporated and domiciled in India. The address of its registered office is 9th Floor, Nirmal Building, Nariman Point, Mumbai 400021.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on April 14, 2022.

2) STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

3) BASIS OF PREPARATION

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These financial statements have been prepared in Indian rupee (₹) which is the functional currency of the Company.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on leases.

The Company derives its income for funding the projects it has undertaken mainly from its Parent Company TCS. With its Parent Company's financial strength and strong presence in Information Technology (IT) Industry globally, the Company does not foresee any resource constraints in executing the projects that have been committed. However, due to nature of pandemic, the projects undertaken by the Company could face slowdown in execution in the short term to medium term due to restrictions by local authorities, if any.

The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5) RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 - Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in statement of income and expenditure. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 - Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

6) INCOME

Donations are recognised as income in the Statement of Income and Expenditure in the year in which the collections are actually received. Earmarked funds are initially credited to a liability account in the balance sheet and are transferred to Statement of Income and Expenditure in the year in which and to the extent to which the Company complies with the conditions attached to them.

Interest income is recognised using the effective interest method.

7) COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised as grants, project expenses and other operating expenses. Other operating expenses majorly include sub-contracting costs, travel expenses and other expenses. Other expenses is an aggregation of costs which are individually not material such as rates and taxes, bank charges etc.

8) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets 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 profit and loss

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

Financial liabilities

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

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9) PROPERTY, PLANT AND EQUIPMENT

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

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value 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 life is as mentioned below:

Type of asset	Method	Useful life
Office equipment	Straight line	5 years
Computer equipment	Straight line	4 years

10) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

(₹ crore)

	Computer equipment	Office equipment	Total
Cost as at April 1, 2021	**0.01**	**0.05**	**0.06**
Additions	**-**	**-**	**-**
Cost as at March 31, 2022	**0.01**	**0.05**	**0.06**
Accumulated depreciation as at April 1, 2021	**0.01**	**0.03**	**0.04**
Depreciation for the year	**-**	**0.01**	**0.01**
Accumulated depreciation as at March 31, 2022	**0.01**	**0.04**	**0.05**
Net carrying amount as at March 31, 2022	**-**	**0.01**	**0.01**

(₹ crore)

	Computer equipment	Office equipment	Total
Cost as at April 1, 2020	0.01	0.05	0.06
Additions	-	-	-
Cost as at March 31, 2021	0.01	0.05	0.06
Accumulated depreciation as at April 1, 2020	-	0.02	0.02
Depreciation for the year	0.01	0.01	0.02
Accumulated depreciation as at March 31, 2021	0.01	0.03	0.04
Net carrying amount as at March 31, 2021	-	0.02	0.02

11) LOANS

Loans (unsecured) consist of the following:

Loans - Non Current

(₹ crore)

	As at March 31, 2022	As at March 31, 2021
Considered good		
Inter-corporate deposits	**283.86**	-
	283.86	-

Loans - Current

(₹ crore)

	As at March 31, 2022	As at March 31, 2021
Considered good		
Inter-corporate deposits	**644.04**	887.11
	644.04	887.11

Inter-corporate deposits placed with financial institutions yield fixed interest rate.

12) OTHER FINANCIAL ASSETS

Other financial assets consist of the following:

(i) Non-current financial assets

(₹ crore)

	As at March 31, 2022	As at March 31, 2021
Interest receivable	**0.08**	-
Long-term bank deposits	**425.00**	-
Security deposits	**0.14**	0.13
	425.22	0.13

(ii) Current financial assets

(₹ crore)

	As at March 31, 2022	As at March 31, 2021
Interest receivable	**24.94**	31.46
	24.94	31.46

13) INVESTMENTS

Investments consist of the following:

(₹ crore)

	As at March 31, 2022	As at March 31, 2021
Investment carried at fair value through profit and loss		
Mutual funds (quoted)	**84.97**	161.15
	84.97	161.15

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Aggregate value of quoted investments is as follows:

(₹ crore)

	As at March 31, 2022	As at March 31, 2021
Aggregate value of quoted investments	**84.97**	161.15
Aggregate market value of quoted investments	**84.97**	161.15

14) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

(₹ crore)

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
(a) In savings accounts	**0.77**	0.83
(b) In current accounts	**0.06**	0.12
	0.83	0.95

15) OTHER ASSETS

Other assets consist of the following:

(₹ crore)

	As at March 31, 2022	As at March 31, 2021
Considered good		
Advance to suppliers	**2.16**	-
	2.16	-

16) SHARE CAPITAL

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares having a par value of ₹ 10 each as follows:

(₹ crore)

	As at March 31, 2022	As at March 31, 2021
Authorised		
40,00,000 equity shares of ₹ 10 each (March 31, 2021: 40,00,000 equity shares of ₹ 10 each)	**4.00**	4.00
	4.00	4.00
Issued, Subscribed and Fully paid-up		
10,00,000 equity shares of ₹ 10 each (March 31, 2021: 10,00,000 equity shares of ₹ 10 each)	**1.00**	1.00
	1.00	1.00

a) Reconciliation of number of shares

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
Equity shares				
Opening balance	**10,00,000**	**1.00**	10,00,000	1.00
Issued during the year	**-**	**-**	-	-
Closing balance	**10,00,000**	**1.00**	10,00,000	1.00

b) Rights and restrictions attached to shares

Equity shares

The Company has one class of equity shares having a par value of ₹10 each. The shareholders of the Company do not have any right to dividend. As per clause 10 of Memorandum of Association (MoA) of the Company, in the event of winding up or dissolution of the Company, the holder of equity shares will not be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The amount remaining, if any, shall be given or transferred to such other company having similar objects, subject to such conditions as the Tribunal may impose, or may be sold and proceeds thereof credited to Rehabilitation and Insolvency Fund formed under Section 269 of the Companies Act, 2013.

c) Details of shares held by holding company and shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2022	As at March 31, 2021
Equity shares		
Tata Consultancy Services Limited*	**10,00,000**	10,00,000
	100.00%	100.00%

*includes 6 equity shares held by individuals of which beneficial ownership is held with TCS.

d) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Shares held by promoter at the end of the year			% change during the year
Promoter name	No. of Shares	% of total shares	
Tata Consultancy Services Limited*	**10,00,000**	**100.00**	**-**
Total	**10,00,000**	**100.00**	**-**

*includes 6 equity shares held by individuals of which beneficial ownership is held with TCS.

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Shares held by promoter at the end of the year			% change during the year
Promoter name	No. of Shares	% of total shares	
Tata Consultancy Services Limited*	10,00,000	100.00	-
Total	10,00,000	100.00	-

*includes 6 equity shares held by individuals of which beneficial ownership is held with TCS.

17) LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 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 recognized as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

(₹ crore)

	Additions for the year ended March 31, 2022	Net carrying amount as at March 31, 2022
Leasehold buildings	-	1.23
Total	**-**	1.23

Depreciation on right-of-use assets is as follows

(₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation		
Leasehold buildings	**0.62**	0.40
	0.62	0.40

Interest on lease liabilities is ₹ 0.11 crore and ₹ 0.03 crore for the year ended March 31, 2022 and 2021, respectively.

The Company incurred ₹ 0 and ₹ 0.04 crore for the year ended March 31, 2022 and 2021, respectively, towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 0.66 crores and ₹ 0.73 crores for the year ended March 31, 2022 and 2021, respectively, including cash outflow for short term and low value leases.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

18) OTHER EQUITY

Other equity consists of the following:

(₹ crore)

	As at March 31, 2022	As at March 31, 2021
Retained earnings		
(i) Opening balance	**1,086.78**	993.93
(ii) Excess of income over expenditure	**379.21**	92.85
	1,465.99	1,086.78

19) OTHER FINANCIAL LIABILITIES

Other financial liabilities consists of the following:

(₹ crore)

	As at March 31, 2022	As at March 31, 2021
Capital creditors	**-**	0.03
	-	0.03

20) TRADE PAYABLES

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(₹ crore)

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade payables						
MSME*	**-**	**-**	**-**	**-**	**-**	**-**
Others	**2.37**	**3.91**	**0.30**	**0.08**	**-**	**6.66**
Disputed dues - MSME*	**-**	**-**	**-**	**-**	**-**	**-**
Disputed dues - Others	**-**	**-**	**-**	**-**	**-**	**-**
	2.37	**3.91**	**0.30**	**0.08**	**-**	**6.66**
Accrued expenses						**0.18**
						6.84

* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

(₹ crore)

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade payables						
MSME*	-	-	-	-	-	-
Others	0.52	0.72	0.10	-	-	1.34
Disputed dues - MSME*	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	0.52	0.72	0.10	-	-	1.34
Accrued expenses						0.34
						1.68

* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

21) OTHER LIABILITIES

Other liabilities consist of the following:

(₹ crore)

	As at March 31, 2022	As at March 31, 2021
(a) Statutory liabilities	**0.16**	0.21
(b) Unutilised amounts from earmarked funds received (Refer note below)		
Opening balance	**1.02**	1.02
Add: Received during the year	**0.38**	-
Less: Transferred from Earmarked fund	**-**	-
	1.40	1.02
	1.56	1.23

Note:

The amount unutilised from Earmarked funds represent amounts received from donors for specific projects undertaken by the Company which have remained unutilised as at the Balance Sheet date.

22) INCOME

(₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Donations	**679.87**	350.60
(b) Transfer from earmarked fund	**-**	-
	679.87	350.60

23) OTHER INCOME (NET)

Other income (net) consist of the following:

(₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Interest income	**46.26**	61.38
(b) Net gain on investments carried at fair value through profit and loss	**4.17**	2.44
(c) Other income	**0.01**	-
	50.44	63.82
Interest income comprises :		
Interest on savings bank / bank deposits	**0.04**	0.18
Interest on inter-corporate deposits	**45.81**	60.82
Interest on tax refunds	**0.41**	0.38
	46.26	61.38

24) Grants represent expenses towards Corporate Social Responsibility projects which are executed in collaboration with other charitable organisations.

Project expenses represent expenses towards Corporate Social Responsibility projects which are executed by the Company.

25) OTHER OPERATING EXPENSES

Other operating expense consist of the following:

(₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Sub-contracting costs (Refer note 1 below)	**0.15**	0.14
(b) Payment to auditors (Refer note 2 below)	**0.04**	0.04
(c) Travel expenses	**-**	0.01
(d) Other expenses	**0.01**	0.04
	0.20	0.23
Note 1: Cost of personnel on deputation from TCS.		
Note 2:		
As auditors - statutory audit (inclusive of GST)		
Audit fees	**0.04**	0.04
Out-of-pocket expenses	**-***	-*

* represents amount below ₹ 1 lakh

26) FINANCE COSTS

Finance costs consist of the following:

(₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	**0.11**	0.03
	0.11	0.03

27) INCOME TAXES

The Company is registered under section 12AA of the Income tax Act, 1961 which entitles it to claim an exemption from income tax, provided certain conditions laid down in the Income tax Act, 1961 are complied with. Provision for income tax would be made only in the year in which the Company is unable to establish reasonable certainty of its ability to fulfil these conditions. The Company has also obtained a certificate under Section 80 G of the Income tax Act, 1961. Income tax assets includes TDS receivable.

28) FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 8 to the financial statements.

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(a) Financial assets and liabilities

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

(₹ crore)

	Fair value through profit and loss	Amortised cost	Total carrying value
Financial Assets:			
Cash and cash equivalents	**-**	**0.83**	**0.83**
Investments	**84.97**	**-**	**84.97**
Loans*	**-**	**927.90**	**927.90**
Other financial assets	**-**	**24.94**	**24.94**
Total	**84.97**	**953.67**	**1,038.64**
Financial Liabilities:			
Trade payables	**-**	**6.84**	**6.84**
Lease liabilities	**-**	**0.60**	**0.60**
Total	**-**	**7.44**	**7.44**

*Loans include inter-corporate deposits, with original maturity period within 12 months.

The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

(₹ crore)

	Fair value through profit and loss	Amortised cost	Total carrying value
Financial Assets:			
Cash and cash equivalents	-	0.95	0.95
Investments	161.15	-	161.15
Loans*	-	887.11	887.11
Other financial assets	-	31.46	31.46
Total	161.15	919.52	1,080.67
Financial Liabilities:			
Trade payables	-	1.68	1.68
Lease liabilities	-	0.55	0.55
Total	-	2.23	2.23

*Loans include inter-corporate deposits, with original maturity period within 12 months.

Carrying amounts of cash and cash equivalents, loans receivables and trade payables as at March 31, 2022 and March 31, 2021 approximate the fair value. Fair value measurement of lease liabilities is not required.

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 consist 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 following table summarises financial assets measured at fair value on a recurring basis:

(₹ crore)

As of March 31, 2022:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual funds	**84.97**	**-**	**-**	**84.97**
Total	**84.97**	**-**	**-**	**84.97**

(₹ crore)

As of March 31, 2021:	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual funds	161.15	-	-	161.15
Total	161.15	-	-	161.15

There are no financial liabilities measured at fair value at the end of each reporting period.

(b) Financial risk management:

The Company is exposed primarily to market risk, interest rate risk, credit risk and liquidity risks which may adversely impact the fair value of its financial instruments. The Company's Parent Company has a risk management policy which covers risks associated with the financial assets and liabilities of the Company. The risk management policy is approved by the Parent Company's Board of Directors. The focus of the risk management committee of the Parent Company is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company. Investments are made as per the provisions enumerated in the Income Tax Act, 1961 and Risk management practices are followed similar to those followed in Parent Company.

i. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the interest rates, liquidity and other market changes.

ii. Interest rate risk

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

iii. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

Financial instruments that are subject to concentrations of credit risk principally consist of loans receivables, investments, cash and cash equivalents and other financial assets. Inter-corporate deposits of ₹ 927.90 crore are with a financial institution having a high credit-rating assigned by credit-rating agencies. None of the other financial instruments of the Company result in material concentration of credit risk.

iv. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as of:

(₹ crore)

March 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Financial liabilities:					
Trade payables	**6.84**	**-**	**-**	**-**	**6.84**
Lease liabilities	**0.66**	**0.50**	**-**	**-**	**1.16**
Total	**7.50**	**0.50**	**-**	**-**	**8.00**

(₹ crore)

March 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
Financial liabilities:					
Trade payables	1.68	-	-	-	1.68
Lease liabilities	0.66	0.66	0.50	-	1.82
Total	2.34	0.66	0.50	-	3.50

v. Currency risk

The Company is not exposed to significant currency risk as the revenue and expenditure are primarily denominated in Indian Rupees.

29) SEGMENT REPORTING

The Company is engaged in promoting and funding projects and / or programs, relating to Corporate Social Responsibility (CSR) in India, which in the context of Ind AS 108 Operating Segments is considered as the only reportable segment. The Company does not have any geographical segments.

30) COMMITMENTS AND CONTINGENCIES

Capital commitments

There are no contracts remaining to be executed on capital account and not provided for (net of advances) as at March 31, 2022 (Nil as at March 31, 2021).

Contingencies

There are no contingent liabilities as at March 31, 2022 (Nil as at March 31, 2021).

31) RELATED PARTY TRANSACTIONS

TCS Foundation's principal related parties consist of its holding company Tata Consultancy Services Limited and its subsidiaries. The Company routinely enters into transactions with its related parties in the ordinary course of business.

Related parties and their relationship

I) Ultimate Holding Company

Tata Sons Private Limited

II) Holding Company

Tata Consultancy Services Limited

III) Fellow subsidiaries with whom the Company has transactions

TCS e-Serve International Limited

APTOnline Limited (Formerly APOnline Limited)

Maha Online Limited

Tata Communications Limited

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IV) Associates / Joint ventures of Tata Sons Private Limited and their subsidiaries

TATA Class Edge (A Division of TATA Industries Ltd)

Voltas Limited

The Indian Hotels Company Limited

Transactions with related parties are as follows:

(₹ crore)

	Year ended March 31, 2022			
	Holding Company	Fellow subsidiaries	Associates / Joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Donations	**679.87**	**-**	**-**	**679.87**
Earmarked funds received	**-**	**0.38**		**0.38**
Purchase of services and facilities (including sub-contracting cost)	**1.24**	**-**	**0.40**	**1.64**

(₹ crore)

	Year ended March 31, 2021			
	Holding Company	Fellow subsidiaries	Associates /Joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Donations	350.60	-	-	350.60
Purchase of services and facilities (including sub-contracting cost)	1.13	-	0.11	1.24

Balances payable to related parties are as follows:

(₹ crore)

	As at March 31, 2022			
	Holding Company	Fellow subsidiaries	Associates / Joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Trade payables	**0.48**	**-**	**-**	**0.48**

(₹ crore)

	As at March 31, 2021			
	Holding Company	Fellow subsidiaries	Associates / Joint ventures of Tata Sons Private Limited and their subsidiaries	Total
Trade payables	0.33	-	-	0.33

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32) MICRO AND SMALL ENTERPRISES

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. The Company has not received any memorandum (as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) from vendor claiming the status as micro or small enterprises, hence no disclosures have been made.

33) ADDITIONAL REGULATORY INFORMATION

Ratios

Ratio	Numerator	Denominator	Current year	Previous year	% variance	Reason for variance
Current ratio (in times)	Total current assets	Total current liabilities	84.10	309.65	(72.84)	Inter-corporate deposits have been reclassified from current to non-current assets based on tenure. Also there is an increase in current liabilities on account of trade payables .
Return on investment (in %)	Income generated from invested funds	Average invested funds	4.02%	6.34%	(36.59)	The increase in investment was invested on 31-Mar-22 hence yet to yield a return.

Other ratios related to revenue, profit and equity are not applicable to TCS Foundation as it is a section 8 company.

34) Earnings per share (EPS) is not applicable to TCS Foundation as it is a section 8 company and hence not disclosed.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board

Rajesh Shetty
Partner
Membership No: 130778

Ajoyendra Mukherjee
Director

NG Subramaniam
Director

Mumbai, April 14, 2022

Mumbai, April 14, 2022

TATA CONSULTANCY SERVICES (AFRICA) PROPRIETARY LIMITED

(Registration Number: 2007/030546/07)

ANNUAL FINANCIAL STATEMENTS

For 9 months ended
December 31, 2021

Audited in compliance with section 30
of the Companies Act of South Africa

Prepared under the supervision of Satyen Deo

FINANCIAL STATEMENTS FOR 9 MONTHS ENDED DECEMBER 31, 2021

Directors' Statement of Responsibility

The directors of the company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

The directors are also responsible for the company's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the company's assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems have occurred during the year under review.

The financial statements have been prepared on the going concern basis since the directors believe that the company has adequate resources in place to continue in operation for the foreseeable future.

Directors' approval of the annual financial statements

The annual financial statements and directors report were approved by the Directors on March 24, 2022 and are signed on their behalf by:

Lakshminarayanan Gomatam Seshadri
Authorised Director

Henry Langa Dube
Authorised Director

Ujjwal Mathur
Authorised Director

Adil Tantra
Authorised Director

Directors' Report

The directors have pleasure in presenting their report on the activities of the Company for the nine months ended December 31, 2021.This financial report covers the period 1st April 2021 to 31st December 2021. Comparative figures are for the 12 months to 31st March 2021.

Nature of business

The Company acts as an investment holding company. Its subsidiary provides IT consulting services.

General review of operations

The financial position of the Company and the results of its operations for the year under review are set out in the attached financial statements and in the opinion of the directors require no further comment. Profit after tax for the Company amounted to ZAR 72,810,102 for December 2021 (March 2021: ZAR 58,061,589).

Dividends

A dividend of ZAR 72,800,000 was paid during the 9 months ended December 31, 2021 (March 2021: ZAR 58,100,000)

Shareholder

The current shareholder of Tata Consultancy Services (Africa) Proprietary Limited is:

	As at December 31, 2021	As at March 31, 2021
Tata Consultancy Services Limited	**100%**	100%

Directors and secretary

The directors of the company during the year under review and up to the date of this report are:

Henry Langa Dube (Appointed on July 22, 2019)

Lakshminarayanan Gomatam Seshadri* (Appointed on July 22, 2019)

Ujjwal Mathur* (Appointed on July 22, 2019)

Adil Noshir Tantra* (Appointed on July 22, 2019)

*Indian

Registered office and postal address

The registered office and postal address of the company are:

Registered Address: 39, Ferguson Road, Illovo, 2196

Postal address: P.O. Box 706, Melrose Arch, 2076

Independent Auditor’s Report

KPMG Inc
KPMG Crescent
85 Empire Road, Parktown, 2193,
Private Bag 9, Parkview, 2122, South Africa

Telephone	**+27 (0)11 647 7111**
Fax	**+27 (0)11 647 8000**
Docex	**472 Johannesburg**
Web	**http://www.kpmg.co.za**

To the shareholder of Tata Consultancy Services (Africa) Proprietary Limited

Opinion

We have audited the separate financial statements of Tata Consultancy Services (Africa) Proprietary Limited (the company) set out on pages 1 to 14, which comprise the Statement of Financial Position as at 31 December 2021, and the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Tata Consultancy Services (Africa) Proprietary Limited as at 31st December 2021, and its separate financial performance and separate cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the separate financial statements section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Tata Consultancy Services (Africa) Proprietary Limited Annual Financial Statements for the year ended 31 December 2021”, which includes the Directors’ Report as required by the Companies Act of South Africa. The other information does not include the separate financial statements and our auditor’s report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the separate financial statements

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Inc.

Per C Erasmus
Chartered Accountant (SA)
Registered Auditor
Director
24 March 2022

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Statement of Financial Position as at December 31, 2021 and March 31, 2021

(Amount in : ZAR)

	Note	As at December 31, 2021	As at March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	**7,702,342**	439,236
Other financial assets	7(d)	**966**	1,019
Income tax assets (net)		**12,588**	5,308
Total current assets		**7,715,896**	445,563
Non-current assets			
Investments	7(b)	**106,700,000**	106,700,000
Total non-current assets		**106,700,000**	106,700,000
TOTAL ASSETS		**114,415,896**	107,145,563
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	7(c)	**83,192**	102,961
Other current liabilities	9(a)	**7,280,000**	-
Total current liabilities		**7,363,192**	102,961
Total liabilities		**7,363,192**	102,961
Equity			
Share capital	7(h)	**14,000,000**	14,000,000
Retained earnings		**93,052,704**	93,042,602
Total equity		**107,052,704**	107,042,602
TOTAL LIABILITIES AND EQUITY		**114,415,896**	107,145,563

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income
For 9 months ended December 31, 2021 and March 31, 2021

(Amount in : ZAR)

	Note	9 months ended December 31, 2021	Year ended March 31, 2021
Dividend received		**72,868,833**	58,140,003
Operating expenses			
Other operating expenses	10	**64,774**	93,889
Total operating expenses		**64,774**	93,889
Operating profit		**72,804,059**	58,046,114
Other income			
Interest income	11	**8,390**	21,480
Profit before taxes		**72,812,449**	58,067,594
Income tax expense	12	**2,347**	6,005
Profit for the year		**72,810,102**	58,061,589
Total comprehensive income, net of taxes		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**72,810,102**	58,061,589

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Changes in Equity For 9 months ended December 31, 2021 and March 31, 2021

(Amount in : ZAR)

	Share capital	Retained earnings	Total equity
Balance as at April 1, 2020	14,000,000	93,081,013	107,081,013
Total comprehensive income for the year	-	58,061,589	58,061,589
Dividend paid (Per share : 4.15)	-	(58,100,000)	(58,100,000)
Balance as at March 31, 2021	**14,000,000**	**93,042,602**	**107,042,602**
Total comprehensive income for the year	**-**	**72,810,102**	**72,810,102**
Dividend paid (Per share : 5.20)	**-**	**(72,800,000)**	**(72,800,000)**
Balance as at December 31, 2021	**14,000,000**	**93,052,704**	**107,052,704**

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Cash Flows For the 9 months ended December 31, 2021 and year ended March 31, 2021

(Amount in : ZAR)

	Note	For the 9 months ended December 31, 2021	For Year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**72,810,102**	58,061,589
Adjustment for			
Income tax expense	12	**2,347**	6,005
Operating profit before working capital changes		**72,812,449**	58,067,594
Other financial assets		**53**	803
Other current liabilities		**7,280,000**	-
Trade and other payables		**(19,769)**	3,885
Cash generated from operations		**80,072,733**	58,072,282
Taxes paid		**(9,627)**	(11,760)
Net cash used from operating activities		**80,063,106**	58,060,522
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(72,800,000)**	(58,100,000)
Net cash used in financing activities		**(72,800,000)**	(58,100,000)
Net change in cash and cash equivalents		**7,263,106**	(39,478)
Cash and cash equivalents, beginning of the year	7(a)	**439,236**	478,714
Cash and cash equivalents, end of the year		**7,702,342**	439,236

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Tata Consultancy Services (Africa) Proprietary Limited (the "Company") is registered under Companies Act of South Africa having registration number 2007/030546/07

The Company acts as an investment holding Company. Its subsidiary provides IT consulting services.

The address of the Company's registered office is 39 Ferguson road, Illovo, 2196

The financial statement were approved and authorised for issue on March 24, 2022.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Companies Act of South Africa. The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented.

3. BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis except otherwise stated. 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.

Cash flows are reported using the 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The company changed its accounting period. Accordingly this financial report covers the nine month period 1st April 2021 to 31st December 2021 with the comparatives being for 12 months to 31st March 2021.

The functional and reporting currency of Tata Consultancy Services (Africa) Proprietary Limited is Rands ("ZAR"). Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are included in profit or loss. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements is in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

The company uses the following critical accounting estimates in preparation of its consolidated financial statements:

a. Revenue recognition

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

b. Provisions and contingent liabilities

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. Contingent

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liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

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

6. RECENT ACCOUNTING STANDARDS

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

Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use[1]
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract[1]
Amendments to IFRS 3	Business Combination - Reference to conceptual framework[1]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[1]
Amendments to IAS 1	Classification of Liabilities[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 12	Deferred Tax related to Assets and liabilities arising from a single transaction[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]

[1] Effective for annual periods beginning on or after January 1, 2022.

[2] Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact on its financial statements since it does not have property, plant and equipment.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 - Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.

Trade and other payable

Liabilities are recognised for the amounts to be paid in the future for goods or services received, whether billed by supplier or not.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a Company of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Derecognition of financial assets

(i) Financial asset

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flow in a transaction in which substantially all of the risks and rewards of the ownership of financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all the risks and rewards of the transferred assets. In these cases the transferred assets are not derecognised.

(ii) Financial liability

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also derecognises financial liability when its terms are modified and cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of financial liability the difference between the carrying amount extinguished and the consideration paid (including any non cash asset transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has legally enforceable right to setoff the amount and it intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

a. Cash and cash equivalents

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
Balances with bank		
In current account	**7,352,342**	39,236
In deposit account	**350,000**	400,000
Total	**7,702,342**	439,236

b. Investment

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
Investment consist of the following		
Investment Non-Current		
Investment in subsidiary*	**106,700,000**	106,700,000
Total	**106,700,000**	106,700,000

*Investment in subsidiary is stated at cost less accumulated impairment losses in the Company's financial statements.

Considering the fact that Tata Consultancy Services (South Africa) Proprietary Limited is a profitable company despite the pandemic situation, management believes there is no trigger for impairment.

c. Trade payables

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
Accrued expenses	**83,192**	102,961
Total	**83,192**	102,961

d. Other financial assets

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
Accrued interest	**966**	1,019
Total	**966**	1,019

e. Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2021 is as follows:

(Amount in : ZAR)

	Amortised cost	Total carrying value
Financial assets:		
Cash and cash equivalents	**7,702,342**	**7,702,342**
Other financial assets	**966**	**966**
Total	**7,703,308**	**7,703,308**
Financial liabilities:		
Trade payables	**83,192**	**83,192**
Total	**83,192**	**83,192**

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(Amount in : ZAR)

	Amortised cost	Total carrying value
Financial assets:		
Cash and cash equivalents	439,236	439,236
Other financial assets	1,019	1,019
Total	440,255	440,255
Financial liabilities:		
Trade payables	102,961	102,961
Total	102,961	102,961

Carrying amounts of cash and cash equivalents, other financial assets and trade payables as at December 31, 2021 and March 31,2021 approximate the fair value.

f. 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.

g. Financial risk management

The Company is exposed primarily to fluctuations in credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

- **Foreign currency exchange rate risk**

  The Company is not exposed to foreign currency exchange rate risk.

- **Interest rate risk**

  The Company is not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consist of cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ZAR 7,703,308 and ZAR 440,255 as of December 31, 2021 and March 31, 2021, respectively being the total of the carrying amount of balances with bank, bank deposit and other financial assets. Balance with bank are held with banks with high credit ratings.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(Amount in : ZAR)

	Due in 1st year	Due in 2nd to 5th year	Total
December 31, 2021			
Financial liabilities			
Trade payables	**83,192**	**-**	**83,192**
Total	**83,192**	**-**	**83,192**

(Amount in : ZAR)

	Due in 1st year	Due in 2nd to 5th year	Total
March 31, 2021			
Financial liabilities			
Trade payables	102,961	-	102,961
Total	102,961	-	102,961

h. Equity instruments

(Amount in : ZAR)

Authorised, issued, subscribed and paid up share capital	As at December 31, 2021	As at March 31, 2021
Authorised:		
20,000,000 ordinary shares of ZAR 1 each	**20,000,000**	20,000,000
Issued, Subscribed & Fully paid up :		
14,000,000 ordinary shares of ZAR 1 each	**14,000,000**	14,000,000
Share holding	**Percentage**	Percentage
Tata Consultancy Services Limited	**100%**	100%

Capital management

The Company's objective for capital management is to maximize 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 product 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.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and 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 Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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.

9. NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a. Other liabilities

Other liabilities consist of the following:

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
Other liabilities - current		
Indirect Tax Payable	**7,280,000**	-
Total	**7,280,000**	-

10. COST RECOGNITION

The costs of the company are broadly categorised into other operating expenses which mainly include fees to external consultants and other expenses. Other expenses comprise of bank charges and payment to auditors.

The Company decided to present an analysis of expenses recognized in the Profit or Loss using a classification based on their nature instead of by their function as classification of expenses by nature is considered to provide more reliable and relevant information to users than their classification by function. Information on the nature of expenses is useful in predicting future cash flows. Classification by nature is simple and does not require allocations and involves lesser management judgement. The Company intends to follow this approach on a consistent basis.

(Amount in : ZAR)

	9 months ended December 31, 2021	Year ended March 31, 2021
Other operating expenses		
Fees to external consultants	**43,564**	70,492
Other expenses	**21,210**	23,397
Total	**64,774**	93,889

11. OTHER INCOME

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

(Amount in : ZAR)

	9 months ended December 31, 2021	Year ended March 31, 2021
Interest Income		
Interest income - Bank	**8,390**	21,480
Total	**8,390**	21,480

12. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. 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 Company accounts for the deferred income taxes using the balance sheet approach. Deferred income taxes are provided for the differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The income tax expense consists of the following:

(Amount in : ZAR)

	9 months ended December 31, 2021	Year ended March 31, 2021
Current tax		
Current tax expense	**2,347**	6,005
Total	**2,347**	6,005

The reconciliation of estimated income tax expense at the Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:

(Amount in : ZAR)

	9 months ended December 31, 2021	Year ended March 31, 2021
Current tax expenses		
Income before taxes	**72,812,449**	58,067,594
Statutory tax rate	**28.00%**	28.00%
Expected income tax expense	**20,387,486**	16,258,926
Less: Income exempt from tax	**(20,403,273)**	(16,279,201)
Operating losses carry forwards	**-**	-
Tax pertaining to prior years:	**-**	-
Current tax	**-**	-
Disallowable expenses		
Expense on exempted dividend	**18,134**	26,280
Total tax expense	**2,347**	6,005

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The Company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no instances of any uncertain tax treatment in the past and on that basis it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

13. RELATED PARTY TRANSACTIONS

Tata Consultancy Services (Africa) Proprietary Limited. principal related parties consist of its holding company Tata Consultancy Services Limited and it's subsidiary Tata Consultancy Services (South Africa) Proprietary Limited. The company routinely enters into transactions with its related parties in the ordinary course of business.

Transactions with related parties

(Amount in : ZAR)

Particulars	With Tata Consultancy Services Limited, Holding Company	Tata Consultancy Services (South Africa) Proprietary Limited, Subsidiary Company	Total
For 9 months ended December 31, 2021			
Dividend paid	**72,800,000**	**-**	**72,800,000**
Dividend received	**-**	**72,868,833**	**72,868,833**
For the year ended March 31, 2021			
Dividend paid	58,100,000	-	58,100,000
Dividend received	-	58,140,003	58,140,003

14. COMPENSATION TO KEY MANAGERIAL PERSONNEL

Mr. Adil Noshir Tantra (Director)

(Amount in : ZAR)

Particulars	9 months ended December 31, 2021	Year ended March 31, 2021
Basic	**1,222,069**	1,598,321
Bonus	**-**	200,534
Other contribution	**224,498**	345,884
Total	**1,446,567**	2,144,739

Mr. Henry Langa Dube (Director)

(Amount in : ZAR)

Particulars	9 months ended December 31, 2021	Year ended March 31, 2021
Basic	**1,268,037**	1,555,590
Bonus	**395,899**	374,737
Other contribution	**282,875**	342,906
Total	**1,946,811**	2,273,233

15. GOING CONCERN

Management has taken into account the impact of COVID-19 on the business for the foreseeable future and have concluded that the company has sufficient resources to continue as a going concern.

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16. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements except for on 23 February 2022 the minister announced the corporate income tax rate will be lowered to 27 percent for years of assessment commencing on or after 1 April 2022.

17. CONSOLIDATION

The following set of financial statements represents the financial statements of the entity. The exemption under IAS27.16(1) has been applied and consolidated financial statements were not prepared. The consolidated financial statements of the parent company are available on demand.

Tata Consultancy Services Asia Pacific Pte Ltd
Registration Number: 200308003M

Annual Financial Statements
for the year ended on 31 March 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2022.

In our opinion:

(a) the financial statements set out on pages 8.6 to 8.39 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Girish Ramachandran

Natarajan Ganapathy Subramaniam

Ramakrishnan Venkataraman

Krishnan Ramanujam

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Tata Consultancy Services Limited		
- Immediate holding company		
Ordinary shares		
Girish Ramachandran	11,000	11,000
Natarajan Ganapathy Subramaniam	197,760	197,760
Krishnan Ramanujam	6,000	5,000
Ramakrishnan Venkataraman	2,000	2,100

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Except as disclosed under the 'Share options' section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued ordinary shares of the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept appointment.

On behalf of the Board of Directors

Girish Ramachandran	**Krishnan Ramanujam**
Director	*Director*

12 May 2022

INDEPENDENT AUDITORS' REPORT

MEMBER OF THE COMPANY

TATA CONSULTANCY SERVICES ASIA PACIFIC PTE LTD

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tata Consultancy Services Asia Pacific Pte Ltd ('the Company'), which comprise the statement of financial position as at 31 March 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8.6 to 8.39.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
12 May 2022

Statement of financial position
As at 31 March 2022

(Amount in : US$)

	Note	2022	2021
ASSETS			
Investments in subsidiaries	4	**106,704,464**	106,704,464
Other investments	5	**3,300,000**	3,300,000
Equipment	6 (A)	**1,848,858**	2,066,443
Intangible asset	6 (B)	**244,070**	209,246
Right-of-use assets	21	**4,222,267**	5,924,520
Non-current assets		**116,319,659**	118,204,673
Cash and cash equivalents	7	**14,295,354**	13,098,754
Trade and other receivables	8	**68,457,416**	74,569,237
Other assets	9	**8,851,667**	2,676,257
Current assets		**91,604,437**	90,344,248
TOTAL ASSETS		**207,924,096**	208,548,921
EQUITY			
Share capital	10	**4,400,000**	4,400,000
Fair value reserves		**2,400,000**	2,400,000
Retained earnings		**113,668,231**	117,317,765
Total equity		**120,468,231**	124,117,765
LIABILITIES			
Accruals	12	**490,635**	477,938
Lease liabilities	13	**2,535,886**	4,223,222
Non-current liabilities		**3,026,521**	4,701,160
Trade and other payables	11	**60,274,579**	57,378,514
Accruals	12	**20,175,609**	17,769,032
Lease liabilities	13	**1,645,849**	1,589,020
Income tax payable		**2,333,307**	2,993,430
Current liabilities		**84,429,344**	79,729,996
Total liabilities		**87,455,865**	84,431,156
TOTAL EQUITY AND LIABILITIES		**207,924,096**	208,548,921

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
for the year ended 31 March 2022

(Amount in : US$)

	Note	2022	2021
Revenue	14	**320,473,813**	290,651,165
Cost of sales		**(285,641,692)**	(253,550,057)
GROSS PROFIT		**34,832,121**	37,101,108
Other operating income	15	**22,722,985**	31,086,716
Administrative expense	17	**(31,824,203)**	(30,724,676)
Finance cost		**(169,593)**	(201,555)
PROFIT BEFORE TAX		**25,561,310**	37,261,593
Tax expense	16	**(2,210,844)**	(4,652,221)
PROFIT FOR THE YEAR	17	**23,350,466**	32,609,372
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Net change in fair value of equity investments at FVOCI		–	-
OTHER COMPREHENSIVE INCOME, NET OF TAX		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**23,350,466**	32,609,372

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 March 2022

(Amount in : US$)

	Share capital	Retained earnings	Fair value reserve	Total
At 1 April 2020	4,400,000	84,708,393	2,400,000	91,508,393
Total comprehensive income for the year				
Profit for the year	-	32,609,372	-	32,609,372
Other comprehensive income for the year	–	-	-	-
Total comprehensive income for the year	–	32,609,372	-	32,609,372
At 31 March 2021	4,400,000	117,317,765	2,400,000	124,117,765
At 1 April 2021	**4,400,000**	**117,317,765**	**2,400,000**	**124,117,765**
Total comprehensive income for the year				
Profit for the year	**–**	**23,350,466**	**–**	**23,350,466**
Other comprehensive income for the year	**–**	**–**	**-**	**-**
Total comprehensive income for the year	**-**	**23,350,466**	**-**	**23,350,466**
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Dividend Paid	**-**	**(27,000,000)**	**-**	**(27,000,000)**
Total transactions with owners	**-**	**(27,000,000)**	**-**	**(27,000,000)**
At 31 March 2022	**4,400,000**	**113,668,231**	**2,400,000**	**120,468,231**

The accompanying notes form an integral part of these financial statements.

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Statement of cash flows
for the year ended 31 March 2022

(Amount in : US$)

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**25,561,310**	37,261,593
Adjustments for:			
Depreciation of plant and equipment and intangible asset	6	**922,542**	853,421
Depreciation of right-of-use assets	21	**1,702,253**	1,712,528
Decrease in allowance for doubtful debts		**(22,670)**	(260,229)
Unrealised exchange loss on lease liabilities		**(49,570)**	393,022
(Gain)/loss on sale of equipment		**(683)**	3,856
Gain on lease modification		**-**	(372)
Finance cost		**169,593**	201,555
Lease concession		**-**	(47,620)
Dividend income	15	**(21,236,435)**	(25,289,144)
Interest income	15	**(2,312)**	(3,999)
		7,044,028	14,824,611
Changes in working capital:			
Trade and other receivables		**6,133,605**	2,857,666
Other assets		**(2,947,119)**	10,462,527
Trade and other payables		**2,896,065**	(53,346,513)
Accruals		**2,406,577**	1,277,701
Cash generated from/(used in) operations		**15,533,156**	(23,924,008)
Tax paid		**(2,870,967)**	(4,548,262)
Net cash flows from/(used in) operating activities		**12,662,189**	(28,472,270)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advance for investment in a subsidiary		**(3,228,291)**	-
Dividend received	15	**21,236,435**	25,289,144
Interest received	15	**2,312**	3,999
Purchase of equipment and intangible asset	6	**(740,380)**	(549,982)
Net cash flows from investing activities		**17,270,076**	24,743,161
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	18	**(27,000,000)**	-
Repayment of principal payment for lease liabilities	13	**(1,580,937)**	(1,463,092)
Payment of interest charges	13	**(154,728)**	(201,555)
Net cash flows used in financing activities		**(28,735,665)**	(1,664,647)
Net increase/(decrease) in cash and cash equivalents		**1,196,600**	(5,393,756)
Cash and cash equivalents at 1 April		**13,098,754**	18,492,510
Cash and cash equivalents at 31 March	7	**14,295,354**	13,098,754

The accompanying notes form an integral part of these financial statements.

Notes forming part of the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 12 May 2022.

1. DOMICILE AND ACTIVITIES

Tata Consultancy Services Asia Pacific Pte Ltd ('the Company') is incorporated in the Singapore. The address of the Company's registered office is 60 Anson Road, #18-01/02 Mapletree Anson, Singapore 079914.

The principal activities of the Company are to provide IT consulting, software solutions and services and products in the Asia Pacific region.

The results of the Company include its South Korean branch results. The principal activities of the branch are to provide IT consulting, software solutions and products.

The Company's immediate holding corporation is Tata Consultancy Services Limited, incorporated in India. The ultimate holding corporation is Tata Sons Limited, also incorporated in India.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed.

2.3 Functional and presentation currency

These financial statements are presented in United States dollars ('US$'), which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. 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 in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 3.9 – Revenue recognition.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed below:

- ***Measurement of expected credit loss allowance for trade and other receivables (including contract assets and deposits)***

  Management regularly reviews the recoverability and aging of the trade and other receivables (including contract assets and deposits) in arriving at estimates of expected credit loss (ECL) for trade and other receivables (including contract assets and deposits). Management considers the credit history and financial position of the customer before assessing the need for any allowance to be made. The carrying amount and credit risk (including ECL assessment and key assumptions in determining the weighted-average loss rate) of trade and other receivables (including contract assets and deposits) is disclosed in note 8, note 9 and note 22 to the financial statements respectively.

- ***Impairment of investments in subsidiaries***

  Investments in subsidiaries are stated at cost less impairment loss. The Company follows the guidance of FRS 36 *Impairment of Assets* to determine whether its investments in subsidiaries is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the market and economic environment in which the subsidiaries operate, economic performance of the subsidiaries, the duration and extent to which the cost of investment exceeds their net assets value. The carrying amounts of the Company's investments in subsidiaries are disclosed in note 4.

- ***Provision for income taxes***

  Judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company (including Korean branch) recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the period in which such determination is made.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The management has overall responsibility for all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in 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 for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Further information about the assumptions made in measuring fair values is included in note 22 of the financial statements.

Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

2.5 Changes in accounting policies

New standards and amendments

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2021:

- *COVID-19-Related Rent Concessions (Amendments to FRS 116)*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116)*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are stated at cost less impairment losses.

These financial statements are the separate financial statements of the Company. In accordance with FRS 110 *Consolidated Financial Statements,* the Company is exempted from the preparation of consolidated financial statements as the Company is itself a wholly-owned subsidiary of Tata Consultancy Services Limited. Publicly available consolidated financial statements are prepared by Tata Consultancy Services Limited, whose registered office is at 9th Floor, Nirmal Building, Nariman Point, Mumbai 400021, India.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated.   All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

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Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- show managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs.They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised trade and other payables.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.4 a) Equipment

(i) Recognition and measurement

Items of equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of assets includes costs directly attributable to bringing the assets to a working condition for their intended use.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

The gain or loss on disposal of an item of equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Computers	25%
• Office equipment	10 to 20%
• Furniture and fittings	20%
• Leasehold improvements	Lease term

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

b) Intangible assets

Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight line basis over the period of its economic useful life.

3.5 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 21.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Company uses the lessee's incremental borrowing rate as the discount rate.

The Company determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.6 Impairment

(i) Non-derivative financial assets and contract assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- contract assets (as defined in FRS 115).

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.7 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

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A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Company has 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.

Employee leave entitlement

Employee entitlement to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

3.8 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.9 Revenue

Goods and services sold

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system/software is delivered to the customer. In cases where implementation and/or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

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 the 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 is excess of revenue 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 is billings in excess of revenues.

The billing to customers follow different schedules based upon the nature and type of goods and services being transferred. The billing schedules agreed with customers could include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with FRS 115, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. The Company has applied the practical expedient provided by FRS 115, whereby the Company does not adjust the transaction price for the effects of the time value of money where the period between when the control on goods and services transferred to the customer and when payment thereof is due, is one year or less. 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 each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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- Revenue for fixed price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
- 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 the 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.

3.10 Other income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised in profit or loss when the Company's right to receive payment has been established.

3.11 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets.*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.12 Government grants

Grants for expenses are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss as "Other income" on a systematic basis in the same periods in which the expenses are recognised.

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3.13 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Company's financial statements.

- *FRS 117 Insurance Contracts and amendments to FRS 117 Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to FRS 116)*
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to FRS 16)*
- *Onerous Contracts – Costs of Fulfilling a Contract (Amendments to FRS 37)*
- *Classification of Liabilities as Current or Non-current (Amendments to FRS 1)*
- *Annual Improvements to FRS(I)s 2018 – 2020*
- *Disclosure to Accounting Policies (Amendments to FRS 1 and FRS Practice Statement 2) Definition of Accounting Estimates (Amendments to FRS 8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to FRS 12)*
- *Definition of Accounting Estimates (Amendments to FRS 8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to FRS 12)*

4. INVESTMENTS IN SUBSIDIARIES

(Amount in : US$)

	2022	2021
Unquoted equity shares, at cost	**106,704,464**	106,704,464

The subsidiaries of the Company are as set out below:

Name of subsidiary	Country of incorporation and operations	Proportion of ownership interest and voting power held		Principal activities
		2022	2021	
		%	%	
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	**100**	100	Provide IT consulting software solutions, services and products
Tata Consultancy Services (China) Co., Ltd [D]	People's Republic of China	**93.20**	93.20	Provide IT consulting software solutions, services and products
PT Tata Consultancy Services Indonesia	Indonesia	**100**	100	Provide IT consulting software solutions, services and products
Tata Consultancy Services (Thailand) Limited [A]	Thailand	**99.99**	99.99	Provide IT consulting software solutions, services and products
Tata Consultancy Services (Philippines) Inc. [B]	Philippines	**100**	100	Provide IT consulting software solutions, services and products
Tata Consultancy Services Japan Limited [C]	Japan	**66**	66	Provide IT consulting software solutions, services and products

(A) In financial year 2010, the Company transferred 1 share each of Thai Baht 10 per share in this subsidiary to each of its wholly-owned subsidiaries Tata Consultancy Services Malaysia Sdn Bhd and Tata Consultancy Services (Philippines) Inc. The Company retains the voting power in the subsidiary.

(B) In financial year 2018, pursuant to a proposal from the subsidiary to buy back its own shares, the Company sold 380,000 shares to the subsidiary at a value of Philippines Piso 1,454 per share.

(C) In financial year 2020, the Company recognised an additional cost of US$38,296,031 on investment in Tata Consultancy Services Japan, Limited ("TCS Japan"). The cost represented cash consideration paid of US$32,690,000 and option value on the date of exercise US$5,606,031, upon exercise of the option to buy 15% of equity interest on TCS Japan from MC. The carrying amount of the investment in TCS Japan as at 31 March 2022 is US$ 83,543,947 (2021: US$83,543,947).

(D) In financial year 2022, the Company has paid US$3,228,291 for acquisition for Minority shares and the registration of the SPA is under process and the same has been disclosed in Note 9 "Other Asset" as Advance for Investments.

5. OTHER INVESTMENTS

(Amount in : US$)

	2022	2021
Non-current assets		
Unquoted equity shares, at fair value –designated at FVOCI	**3,300,000**	**3,300,000**

The Company designated the investment in Philippines Dealing System Holding Corporation as equity investments as at FVOCI because this equity investment represents investment that the Company intends to hold for the long term for strategic purposes. As at 31 March 2022, the fair value of the equity investment is US$ 3,300,000 (2021: US$3,300,000) During the financial year, the Company recognised dividend income of US$ 547,792 (2021: US$1,009,696) in profit or loss (note 15).

Credit and market risks, and fair value measurement

Information about the Company's exposures to credit and market risks, and fair value measurement, is included in note 22.

6. A) EQUIPMENT

(Amount in : US$)

	Computers	Office equipment	Furniture and fittings	Leasehold improvements	Capital work in progress	Total
Cost						
At 1 April 2020	3,727,492	1,261,378	1,129,272	2,162,963	605,944	8,887,049
Additions	287,558	-	-	–	-	287,558
Transfers	599,299	6,310	-	-	(605,609)	-
Disposals	(315,314)	-	-	-	-	(315,314)
At 31 March 2021	**4,299,035**	**1,267,688**	**1,129,272**	**2,162,963**	**335**	**8,859,293**
Additions	**528,542**	**6,267**	**17,354**	**-**	**62,594**	**614,757**
Transfers	**(1,282)**	**-**	**-**	**-**	**-**	**(1,282)**
At 31 March 2022	**4,826,295**	**1,273,955**	**1,146,626**	**2,162,963**	**62,929**	**9,472,768**
Accumulated depreciation						
At 1 April 2020	2,129,199	1,024,811	1,029,250	2,120,805	–	6,304,065
Depreciation	664,251	94,835	38,544	2,613	–	800,243
Disposals	(311,458)	-	-	-	-	(311,458)
At 31 March 2021	**2,481,992**	**1,119,646**	**1,067,794**	**2,123,418**	**–**	**6,792,850**
Depreciation	**729,822**	**65,478**	**33,928**	**2,515**	**–**	**831,743**
Disposals	**(683)**	**-**	**-**	**-**	**-**	**(683)**
At 31 March 2022	**3,211,131**	**1,185,124**	**1,101,722**	**2,125,933**	**–**	**7,623,910**
Carrying amount						
At 1 April 2020	1,598,293	236,567	100,022	42,158	605,944	2,582,984
At 31 March 2021	1,817,043	148,042	61,478	39,545	335	2,066,443
At 31 March 2022	**1,615,164**	**88,831**	**44,904**	**37,030**	**62,929**	**1,848,858**

B) INTANGIBLE ASSET

(Amount in : US$)

	Software licenses	Total
Cost		
At 1 April 2020	-	-
Additions	262,424	262,424
At 31 March 2021	**262,424**	**262,424**
Additions	**125,623**	**125,623**
At 31 March 2022	**388,047**	**388,047**
Accumulated depreciation		
At 1 April 2020	-	-
Depreciation	53,178	53,178
At 31 March 2021	**53,178**	**53,178**
Depreciation	**90,799**	**90,799**
At 31 March 2022	**143,977**	**143,977**
Carrying amount		
At 1 April 2020	-	=
At 31 March 2021	209,246	209,246
At 31 March 2022	**244,070**	**244,070**

7. CASH AND CASH EQUIVALENTS

(Amount in : US$)

	2022	2021
Cash at banks	**14,278,700**	13,082,100
Cash on hand	**16,654**	16,654
Cash and cash equivalents in the statement of cash flows	**14,295,354**	13,098,754

8. TRADE AND OTHER RECEIVABLES

(Amount in : US$)

	2022	2021
Trade receivables (third parties)	**38,714,728**	46,991,275
Allowance for doubtful debts	**(169,626)**	(193,608)
	38,545,102	46,797,667
Amounts due from (trade):		
- immediate holding company	**7,848,339**	5,003,543
- subsidiaries	**1,411,758**	853,799
- related corporations	**216,757**	121,464
Unbilled revenue and advance billings from:		
- immediate holding company	**382,959**	349,813
- subsidiaries	**34,494**	139,981
- related corporations	**82,285**	53,260
Unbilled revenues (third parties)	**8,092,187**	8,958,169

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(Amount in : US$)

	2022	2021
Other receivables		
- immediate holding company (trade)	**10,912,714**	11,740,004
- subsidiaries	**44,663**	105,971
- related corporations	**189,092**	22,694
Other receivables(third parties)	**697,066**	422,872
	68,457,416	74,569,237

Trade receivables are non-interest bearing and are generally on 30 days' terms.

Amounts due from the immediate holding company, subsidiaries and related corporations are unsecured, interest-free and are to be settled in cash. There is no allowance of doubtful debts arising from these outstanding balances.

Credit and market risks, and impairment losses

The Company's exposure to credit and currency risks, and impairment losses for trade and other receivables are disclosed in note 22.

9. OTHER ASSETS

(Amount in : US$)

	2022	2021
Advance for Investments*	**3,228,291**	-
Prepayments	**301,335**	490,962
Deposits	**93,316**	96,939
Contract assets		
- immediate holding company	**134,546**	407,513
- subsidiaries	**(9,802)**	9,467
- related corporations	**-**	-
- third Parties	**4,723,932**	1,343,648
Contract fulfilment cost	**380,049**	327,728
	8,851,667	2,676,257

* Refer Note 4 (d) Investments for details

10. SHARE CAPITAL

(Amount in : US$)

	No. of shares 2022	No. of shares 2021	Amount 2022	Amount 2021
Fully paid ordinary shares, with no par value:				
At 1 April and 31 March	**7,582,820**	7,582,820	**4,400,000**	4,400,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of share capital and retained earnings.

Management reviews the capital structure on a semi-annual basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of management, the company will balance its overall capital structure through the payment of dividends and new share issues. The Company does not have any externally imposed capital restrictions.

The Company's overall strategy remains unchanged from the prior year.

11. TRADE AND OTHER PAYABLES

(Amount in : US$)

	2022	2021
Amounts due to:		
- immediate holding company (trade)	**45,565,662**	40,038,946
- subsidiaries (trade)	**367,880**	529,344
- related corporations (trade)	**891,083**	232,356
- third parties	**1,988,231**	2,266,540
Unearned and deferred revenue		
- immediate holding company	**230,296**	75,199
- subsidiaries	**94,091**	87,711
- related corporations	**32,780**	74,908
- third parties	**11,104,556**	14,073,510
	60,274,579	57,378,514

The average credit period on purchases of services is 30 days (2021: 30 days). Interest is not charged on the overdue balances.

Amounts due to the ultimate holding company, immediate holding company, subsidiaries and related corporations are unsecured, interest-free, repayable on demand and are to be settled in cash.

Market and liquidity risk

The Company's exposure to liquidity and currency risks for trade payables are disclosed in note 22.

12. ACCRUALS

(Amount in : US$)

	2022	2021
Employee benefits	**8,610,063**	7,396,283
Volume discount payable		
- immediate holding company (trade)	**385,747**	292,800
- subsidiaries (trade)	**9,529**	10,509
- related corporations (trade)	**11,131**	31,719
- third parties	**1,173,791**	1,261,023
Other accruals		
- ultimate holding Company	**769,104**	674,909
- third parties	**9,706,879**	8,579,727
	20,666,244	18,246,970
Represented by:		
Current	**20,175,609**	17,769,032
Non-current	**490,635**	477,938
	20,666,244	18,246,970

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Market and liquidity risk

The Company's exposure to liquidity and currency risks for accruals are disclosed in note 22.

13. LEASE LIABILITIES

(Amount in : US$)

	2022	2021
Non-current liabilities		
Lease liabilities	**2,535,886**	4,223,222
Current liabilities		
Lease liabilities	**1,645,849**	1,589,020
Total lease liabilities	**4,181,735**	5,812,242

Terms and debt repayment schedule

Terms and conditions of outstanding lease liabilities are as follows:

(Amount in : US$)

				2022		2021	
	Currency	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Lease liabilities	SGD	3.21%	2024	**4,137,237**	**3,985,066**	5,841,143	5,539,542
Lease liabilities	KRW	3.02%	2024	**204,842**	**196,669**	288,188	272,700

Reconciliation of movements of liabilities to cash flows arising from financing activities:

(Amount in : US$)

	Lease liabilities
Balance at 1 April 2021	**5,812,242**
Changes in financing cash flows	
Repayment of lease liabilities	**(1,580,937)**
Interest paid	**(154,728)**
Total changes from financing cash flows	**(1,735,665)**
Other changes	
Liability-related	
Interest expense	**154,728**
Exchange differences	**(49,570)**
Total liability-related other changes	**105,158**
Balance at 31 March 2022	**4,181,735**

(Amount in : US$)

	Lease liabilities
Balance at 1 April 2020	6,934,081
Changes in financing cash flows	
Repayment of lease liabilities	(1,463,092)
Interest paid	(201,555)
Total changes from financing cash flows	(1,664,647)
Other changes	
Liability-related	
Lease modification	(4,148)
Lease concession	(47,620)
Interest expense	201,555
Exchange differences	393,021
Total liability-related other changes	542,808
Balance at 31 March 2021	5,812,242

14. REVENUE

(a) Disaggregation of revenue from contracts with customers

(Amount in : US$)

	2022	2021
Rendering of services	**319,258,291**	289,836,537
- Banking, financial services and insurance	**230,288,498**	206,674,061
- Manufacturing process	**13,698,797**	15,604,946
- Retail distribution	**3,515,695**	3,361,912
- Telemedia and entertainment	**3,102,469**	1,502,030
- Energy utilities	**3,683,911**	3,703,804
- High technology	**8,132,753**	5,693,285
- Lifesciences	**6,419,885**	6,344,124
- Travel, transport and hospitality	**47,107,562**	44,560,764
- Others	**3,308,721**	2,391,611
Sales of goods	**1,215,522**	814,628
	320,473,813	290,651,165
Primary geographical markets		
- Asia Pacific	**307,118,146**	276,647,212
- Americas	**10,213,126**	10,961,555
- UK	**1,641,561**	1,280,990
- Europe	**1,285,874**	1,640,367
- India	**206,268**	83,591
- Middle East	**8,838**	37,450
	320,473,813	290,651,165
Timing of revenue recognition		
- Products and services transferred over time	**319,258,291**	289,836,537
- Products transferred at a point in time	**1,215,522**	814,628
	320,473,813	290,651,165

(b) Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts and where not only act of invoicing is pending. The contract assets are transferred to trade receivables when the rights become unconditional.This usually occurs when the Company invoices the customer.

Contract liabilities primarily relate to unearned and deferred revenue, which are recognised when there are billings in excess of revenues.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.

(Amount in : US$)

	2022	2021
Contract assets:		
Balance at the beginning of the year	**1,760,628**	12,457,281
Revenue recognised during the year	**4,586,470**	(1,250,513)
Invoices raised during the year	**(1,467,686)**	(9,701,121)
Exchange differences	**(30,736)**	254,981
Balance at the end of the year	**4,848,676**	1,760,628
Contract liabilities:		
Balance at the beginning of the year	**(14,311,328)**	(11,789,028)
Revenue recognised that was included in unearned and deferred revenue at the beginning of the year	**14,227,409**	11,772,815
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**(11,343,347)**	(14,334,747)
Exchange differences	**(34,457)**	39,632
Balance at the end of the year	**(11,461,723)**	(14,311,328)

(c) Transaction price allocated to the remaining performance obligations

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in FRS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is US$ 124 million (2021: US$136 million), of which, 86% (2021: 79%) is expected to be recognised as revenue within the next 1 year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

15. OTHER OPERATING INCOME

(Amount in : US$)

	Note	2022	2021
Dividend income from:			
- subsidiaries	20	**20,688,643**	24,279,448
- financial asset at FVOCI	5	**547,792**	1,009,696
Foreign exchange losses (net)		**(196,001)**	(770,016)
Interest income		**2,312**	3,999
Government grant		**1,668,732**	6,539,001
Other income		**11,507**	24,588
		22,722,985	31,086,716

Government grant income relates mainly to Jobs Growth Incentive and Wage Credit Scheme (2021: Job Support Scheme ("JSS") and wage credit scheme ("WCS"))

16. TAX EXPENSE

(Amount in : US$)

	2022	2021
Current tax expense		
Current year	**1,586,564**	2,197,594
Witholding tax expenses	**1,659,674**	2,454,627
Adjustment for prior years	**(1,035,394)**	**-**
	2,210,844	4,652,221
Reconciliation of effective tax rate		
Profit before tax	**25,561,310**	37,261,593
Tax calculated using Singapore tax rate of 17% (2021: 17%)	**4,345,423**	6,334,471
Non-deductible items	**851,335**	435,994
Tax exempt income	**(3,610,194)**	(4,572,871)
Witholding tax expenses	**1,659,674**	2,454,627
Adjustment for prior years	**(1,035,394)**	-
	2,210,844	**4,652,221**

17. PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

(Amount in : US$)

	2022	2021
Employee benefits expense (including directors' remuneration)	**101,135,186**	104,697,368
Contributions to defined contribution plans (excluded from employee benefits expenses)	**4,949,597**	4,374,210
Allowance for impairment of trade receivables	**(22,670)**	(260,229)
Cost of inventories charged to cost of sales	**16,895**	(132,533)
Depreciation and amortisation on equipment, ROU asset and intangible asset	**2,624,795**	**2,565,949**
Foreign exchange loss, net	**196,001**	770,016

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Administrative expense includes the following significant expenses:

(Amount in : US$)

	2022	2021
Directors' remuneration	**639,461**	611,696
Employee benefits expense (including directors' remuneration)	**21,741,386**	20,531,721
Contributions to defined contribution plans (excluded from employee benefits expenses)	**1,193,327**	1,092,538
Depreciation and amortisation on equipment, ROU asset and intangible asset	**1,869,843**	1,797,485

18. DIVIDENDS PAID

(Amount in : US$)

	2022	2021
Tax exempt interim dividends declared of US$ 3.56 (2021: US$Nil) per share	**27,000,000**	-

19. GUARANTEES AND COMMITMENTS

(a) Guarantees

(Amount in : US$)

	2022	2021
Guarantees to customers in respect to services performed	**3,628,700**	1,438,554
Guarantees to vendors in respect of services performed for the Company	**552,162**	693,558

(b) Capital commitments

The Company has contractually committed US$ 16,913 as at 31 March 2022 (2021: US$91,617) for purchase of plant and equipment.

20. RELATED PARTIES

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa. Related parties may be individuals or other entities.

Key management personnel compensation

The remuneration of directors during the year were as follows:

(Amount in : US$)

	2022	2021
Short-term benefits	**639,461**	611,696

The key management personnel are identified as the directors of the Company.

Other related party transactions

Significant intercompany transactions, other than those disclosed elsewhere in the notes to financial statements are as follows:

(Amount in : US$)

	2022	2021
Ultimate holding company		
Royalty expense	**(769,124)**	(674,908)
Associate of ultimate holding company		
Rendering of services	**72,000**	60,300
Communication expenses	**(130,591)**	(223,212)
Immediate holding company		
Rendering of services	**13,904,055**	12,314,119
Purchases of services	**(201,760,950)**	(170,164,355)
Dividend paid	**(27,000,000)**	-
Subsidiaries		
Rendering of services	**2,204,138**	2,856,277
Purchases of services	**(1,487,655)**	(2,045,037)
Dividend received	**20,688,643**	24,279,448
Related companies		
Rendering of services	**1,282,235**	1,555,923
Purchases of services	**(2,017,876)**	(2,150,321)

21. LEASES

Leases as lessee (FRS 116)

The Company leases 3 offices in commercial building. The lease typically runs for a period of 4 years, with an option to renew the lease after that date. Lease payments are renegotiated every 4 years to reflect market rentals. The Company is restricted from entering into any sub-lease arrangements.

The Company leases employee's accommodation with contract term of one year, which is short-term in nature except for one lease which is more than a year. The Company has elected not to recognise right-of-use asset and lease liability for this lease except for the lease which is for more than a year.

The Company has elected not to apply the requirements of FRS 116 for all the leases for which the underlying asset is of low value.Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are :

(Amount in : US$)

	Leasehold building	
	2022	2021
Balance at 1 April	**5,924,520**	7,640,828
Deletions to right-of-use assets	**-**	(3,780)
Depreciation charge for the year	**(1,702,253)**	(1,712,528)
Balance at 31 March	**4,222,267**	5,924,520

Amounts recognised in profit or loss

(Amount in : US$)

	2022	2021
Leases under FRS 116		
Interest on lease liabilities	**154,728**	201,555
Expenses relating to short-term leases	**1,019**	159,752

Amounts recognised in statement of cash flows

(Amount in : US$)

	2022	2021
Total cash outflow for leases(including cash outflow for short term leases and leases for low value assets)	**1,736,684**	1,824,399

22. FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

Impairment losses on financial assets trade receivables recognised in profit or loss were as follows:

(Amount in : US$)

	2022	2021
Reversal for impairment loss on trade receivables and arising from contracts with customers	**(22,670)**	(260,229)

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Trade receivables

Exposure to credit risk

The exposure to credit risk for trade receivables, unbilled revenue and contract assets at the reporting date by geographic region was as follows:

(Amount in : US$)

	Carrying amount	
	2022	**2021**
Asia Pacific	**53,793,822**	58,169,083
Europe	**289,268**	185,856
India	**4,840,922**	2,462,227
Americas	**2,282,291**	3,104,043
Middle East	**3,909**	29,880
UK	**252,345**	87,235
	61,462,557	64,038,324

At the end of the reporting period, significant concentration of credit risk of the Company's trade receivables balance of US$ 7,848,339 and US$1,411,758 (2021: US$5,003,543 and US$853,799) were due from the immediate holding company and subsidiaries, respectively.

Expected credit loss assessment

Loss rates are calculated based on actual credit loss experience over the past three years and adjusted for using Company's review on the current conditions and economic conditions over the expected lives of the receivables only if these factors have a significant impact to the credit loss.

The following table provides information about the exposure to credit risk and ECLs for the trade receivables (third parties and related parties) and unbilled revenue as at 31 March:

(Amount in : US$)

	Weighted average loss rate %	Gross carrying amount	Expected credit loss allowance	Credit impaired	Credit impaired amounts
31 March 2022					
Current (not past due)	**–**	**40,748,850**	**–**	**No**	**–**
Past due 1 – 30 days	**–**	**8,164,291**	**–**	**No**	**–**
Past due 31 – 60 days	**–**	**2,236,179**	**–**	**No**	**–**
Past due 61 – 90 days	**–**	**731,802**	**–**	**No**	**–**
Past due 91 – 180 days	**–**	**2,017,712**	**–**	**No**	**–**
Past due 181 – 365 days	**-**	**1,692,384**	**-**	**No**	**-**
Past due more than 365 days	**14.22%**	**1,192,289**	**(169,626)**	**Yes**	**169,626**
		56,783,507	**(169,626)**		**(169,626)**

(Amount in : US$)

	Weighted average loss rate %	Gross carrying amount	Expected credit loss allowance	Credit impaired	Credit impaired amounts
31 March 2021					
Current (not past due)	–	21,966,729	–	No	–
Past due 1 – 30 days	–	28,065,859	–	No	–
Past due 31 – 60 days	–	6,778,911	–	No	–
Past due 61 – 90 days	–	1,319,755	–	No	–
Past due 91 – 180 days	–	3,418,178	–	No	–
Past due 181 – 365 days	-	584,962	-	No	-
Past due more than 365 days	57.46%	336,910	(193,608)	Yes	193,608
		62,471,304	(193,608)		193,608

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables as follows:

(Amount in : US$)

	2022	2021
At 1 April	**(193,608)**	(444,925)
Impairment loss recognised	**(132)**	(23,340)
Impairment loss written-back	**22,802**	283,569
Exchange difference	**1,312**	(8,912)
At 31 March	**(169,626)**	(193,608)

Cash and cash equivalents

The Company held cash and cash equivalents of US$ 14,295,354 at 31 March 2022 (2021: US$13,098,754). The cash and cash equivalents are held with reputable bank and financial institution counterparties of high credit standings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the low credit risk of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Contract assets and other receivables

The Company uses a similar approach for assessment of ECLs for these receivables to those used for trade receivables. Impairment on these balances applied depends on whether there has been a significant increase in credit risk. No aging analysis of these balances are presented as the majority of outstanding balance as at 31 March 2022 and 31 March 2021 are current. The amount of the allowance on these balances is insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following table summarises the Company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial instruments premised on the earlier of the contractual date or when the Company is expected to pay.

(Amount in : US$)

	Cash flows			
	Carrying amount	**Contractual cash flows**	**Within one year**	**Between one and five years**
31 March 2022				
Non-derivatives financial liabilities				
Trade and other payables*	**48,881,006**	**48,881,006**	**48,881,006**	**–**
Accruals*	**10,016,330**	**10,016,330**	**9,525,695**	**490,635**
Leases liabilities	**4,181,735**	**4,342,080**	**1,748,806**	**2,593,274**
	63,079,071	**63,239,416**	**60,155,507**	**3,083,909**
31 March 2021				
Non-derivatives financial liabilities				
Trade and other payables*	43,067,186	43,067,186	43,067,186	–
Accruals*	8,947,399	8,947,399	8,469,461	477,938
Leases liabilities	5,812,242	6,129,331	1,744,235	4,385,096
	57,826,827	58,143,916	53,280,882	4,863,034

* Excludes unearned revenue, deferred revenue, indirect taxes & accumulated privilage leave Salary provision.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk arises from the potential change in interest rates that may have an adverse effect on the Company in the current reporting period or in future years. The Company does not have any significant interest-bearing liabilities or interest earning assets.

Currency risk

The Company operates regionally and therefore, transacts in various foreign currencies and therefore is exposed to foreign exchange risks. Exposure to currency risk is monitored on an on-going basis and the Company endeavours to keep the net exposure at an acceptable level.

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Exposure to currency risk

The Company's exposures to foreign currencies are as follows:

(Amount in : US$)

	Liabilities		Assets	
	2022	2021	**2022**	2021
Singapore dollar	**29,160,160**	25,438,477	**25,657,536**	21,286,593
Euro	**3,325,070**	3,958,176	**4,963,643**	8,203,185
Japanese yen	**-**	-	**18,687**	36,442
Korean won	**3,854,931**	4,550,801	**4,118,245**	4,935,700
Chinese renminbi	**(9,731)**	44,654	**(20,562)**	47,461
Great Britain pound	**89,502**	127,287	**161,899**	135,188
Hong Kong dollar	**(83,357)**	(83,948)	**18,571**	-
Indian rupee	**61,488**	24,121	**(377,490)**	(398,751)
New Taiwan dollar	**–**	-	**(674,358)**	(676,578)
Thai Baht	**99,481**	245,410	**1,399**	59,885
Malaysian Ringgit	**2,272**	3,056	**44,573**	182,316
Indonesia Rupiah	**-**	-	**39,308**	48,764
Swiss Franc	**55,748**	53,683	**62,155**	59,890
New Zealand Dollar	**(114)**	(115)	**80,194**	–
Australian Dollar	**94,185**	7,326	**43,444**	**17,166**

Sensitivity analysis for foreign currency risk

A 10% strengthening/weakening of US$ against the following currencies at the reporting date would increase/(decrease) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(Amount in : US$)

	Strengthen		Weaken	
	2022	2021	**2022**	2021
Singapore dollar	**(350,262)**	(415,188)	**350,262**	415,188
Euro	**163,857**	424,501	**(163,857)**	(424,501)
Japanese yen	**1,868**	3,644	**(1,868)**	(3,644)
Korean won	**26,331**	38,490	**(26,331)**	(38,490)
Chinese renminbi	**(1,085)**	281	**1,085**	(281)
Great Britain pound	**7,240**	790	**(7,240)**	(790)
Hong Kong dollar	**10,193**	8,395	**(10,193)**	(8,395)
Indian rupee	**(43,898)**	(42,287)	**43,898**	42,287
New Taiwan dollar	**(67,436)**	(67,658)	**67,436**	67,658
Thai Baht	**(9,808)**	(18,552)	**9,808**	18,552
Malaysian Ringgit	**4,230**	17,926	**(4,230)**	(17,926)
Indonesia Rupiah	**3,931**	4,876	**(3,931)**	(4,876)
Swiss Franc	**641**	621	**(641)**	(621)
New Zealand Dollar	**8,031**	12	**(8,031)**	(12)
Australian Dollar	**(5,074)**	979	**5,074**	**(979)**

Determination of fair values

The carrying amounts of financial assets and financial liabilities approximate their fair values because of the relative short-term maturity of these financial instruments.

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used:

Financial assets	**Assets**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value**
	US$					
	2022	2021				
Unquoted equity shares, at fair value - designated at FVOCI	**3,300,000**	3,300,000	Level 3	Market Comparison Technique: The valuation model is based on market multiples derived from quoted prices of companies comparable to the Company, adjusted for the effect of the non marketability of the equity investments and the expected EBITDA of the Company	Adjusted market multiple	The estimated fair value would increase (decrease) if the adjusted market multiple were higher (lower)

(ii) Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

(Amount in : US$)

	2022	2021
Unquoted equity shares designated at FVOCI		
Balance at the beginning of the year	**3,300,000**	3,300,000
Net change in fair value of unquoted equity shares designated at FVOCI	**-**	-
Balance at the end of the year	**3,300,000**	3,300,000

Sensitivity analysis

For the fair values of unquoted equity shares designated at FVOCI reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

(Amount in : US$)

	Other comprehensive income	
	Increase	Decrease
31 March 2022		
EBITDA Multiple (0.5x movement)	**199,000**	**(100,000)**
Normalised EBITDA (10% movement)	**249,000**	**(150,000)**
31 March 2021		
EBITDA Multiple (0.5x movement)	139,000	(139,000)
Normalised EBITDA (10% movement)	236,000	(236,000)

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TCS FNS Pty Limited

Financial Statements And Independent Auditor's Report

For the year ended March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors

TCS FNS Pty Limited

SPECIAL PURPOSE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Special Purpose Financial Statements of TCS FNS Pty Limited ('the Company'), which comprise the statement of financial position as of 31st March 2022, and the related statement of profit or loss and other comprehensive income, changes in equity, and cash flow for the year then ended, and the related notes to the Special Purpose Financial Statements. The Special Purpose Financial Statements have been prepared by the management as described in Note 1 to the Special Purpose Financial Statements in accordance with the International Financial Reporting Standards (IFRS).

In our opinion, the Special Purpose Financial Statements referred to above present fairly, in all material respects, the financial position of the Company as of 31st March 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) generally accepted in India. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements under the provisions of the Act and the Rules there under and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Management's Responsibility for Special Purpose Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these Special Purpose Financial Statements that give a true and fair view of the state of affairs, profit/loss and (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the IFRS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

In preparing these Special Purpose Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

Comparative figures for the financial year ended 31st March 2021 have been taken as per Financial Statements considered by the management for the purpose of Audit of IFRS Consolidated Financial Statements of holding company; TATA Consultancy Services Limited (TCSL); year ended 31st March 2021.

Restriction on Distribution and Use

Audit of this Special Purpose Financial Statements, in accordance with International Financial Reporting Standards of the Company for the year ended 31st March 2022 have been prepared for the limited purpose of consolidated financial statements, to comply with the Section 129(3) of the Companies Act 2013, of TCSL for the year ended 31st March 2022. Our report is strictly intended solely for the information and use by TCSL for the preparation of consolidated financial statements and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

For K B J & ASSOCIATES
(Chartered Accountants)
(ICAI Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor

(ICAI Membership No.48889)

Place: Mumbai

Date: 30th April 2022

Statement of Financial Position

(Amount in AUD)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	7 (a)	**2,900**	2,950
Other financial assets	7 (c)	**6,027,421**	6,027,421
Income tax assets (net)		**-**	46
Total current assets		**6,030,321**	6,030,417
Non-current assets			
Investments	7(b)	**3 00,000**	3 00,000
Goodwill		**19,618,886**	19,618,886
Total non-current assets		**19,918,886**	19,918,886
TOTAL ASSETS		**25,949,207**	25,949,303
LIABILITIES AND EQUITY			
Current liabilities			
Total current liabilities		**-**	-
TOTAL LIABILITIES		**-**	-
Equity			
Share capital	7(g)	**37,258,815**	37,258,815
Retained earnings		**(11,309,608)**	(11,309,512)
TOTAL EQUITY		**25,949,207**	25,949,303
TOTAL LIABILITIES AND EQUITY		**25,949,207**	25,949,303

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

(Amount in AUD)

	Note	For year ended March 31, 2022	For year ended March 31, 2021
Dividend received		**7,500,000**	15,000,000
Operating expenses			
Other operating expenses	9	**50**	51
Total operating expenses		**50**	51
Operating profit		**7,499,950**	14,999,949
PROFIT BEFORE TAXES		**7,499,950**	14,999,949
Income tax expense	10	**46**	-
PROFIT FOR THE YEAR		**7,499,904**	1 4,999,949
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**7,499,904**	1 4,999,949

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of changes in Equity

(Amount in AUD)

	Share capital	Retained earnings	Total equity
Balance as at April 1, 2020	37,258,815	(11,309,461)	25,949,354
Total comprehensive income for the year	-	14,999,949	14,999,949
Dividend paid (Per share : 0.40)	-	(15,000,000)	(15,000,000)
Balance as at March 31, 2021	**37,258,815**	**(11,309,512)**	**25,949,303**
Total comprehensive income for the year	**-**	**7,499,904**	**7,499,904**
Dividend paid (Per share : 0.20)	**-**	**(7,500,000)**	**(7,500,000)**
Balance as at March 31, 2022	**37,258,815**	**(11,309,608)**	**25,949,207**

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Cash Flows

(Amount in AUD)

	Note	For Year ended March 31, 2022	For Year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**7,499,904**	14,999,949
Adjustment for			
Income tax expense	10	**46**	-
Operating profit before working capital changes		**7,499,950**	14,999,949
Other financial assets		**-**	-
Cash generated from operations		**7,499,950**	14,999,949
Taxes paid		**-**	-
Net cash generated from operating activities		**7,499,950**	14,999,949
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(7,500,000)**	(15,000,000)
Net cash used in financing activities		**(7,500,000)**	(15,000,000)
Net change in cash and cash equivalents		**(50)**	(51)
Cash and cash equivalents, at the beginning of the year	7(a)	**2,950**	3,001
Cash and cash equivalents, at the end of the year		**2,900**	2,950

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

TCS FNS Pty Limited (the "Company") is a Company limited by shares, incorporated and domiciled in Australia.

The Company acts as an investment holding Company. The main business of the subsidiary is to create computer software for banking and to market and license the software worldwide and to provide maintenance services.

The registered office address is TCS FNS Pty Limited, Level 6, 76 Berry Street, North Sydney NSW 2060.

The financial statement were approved and authorised for issue on 30 April, 2022.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the international accounting standard board ("IASB") and applicable provisions of Australian corporations Law. This Special Purpose Financial Statements have been prepared for inclusion of Tata Consultancy Services Limited (Intermediate Holding Company) under the requirement of Section 129(3) of the Companies Act, 2013 ('the Act'). The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented in these financial statements.

3. BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis 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 or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and presentation currency of the Company is Australian Dollar ("AUD").

Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency using exchange rates prevailing on the date of statement of financial position. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are included in profit or loss. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated. The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue recognition

Dividend income is recorded when the right to receive payment is established.

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b. Impairment of goodwill

The Company 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.

c. 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.

d. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

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

6. RECENT ACCOUNTING STANDARDS

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

Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

[1]Effective for annual periods beginning on or after January 1, 2023.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

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

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

(Amount in AUD)

	As at March 31, 2022	As at March 31, 2021
Balances with bank		
In current account	**2,900**	2,950
Total	**2,900**	2,950

b. Investments

Investment consist of the following:

(Amount in AUD)

Investments - Non-Current	As at March 31, 2022	As at March 31, 2021
Investment in Subsidiaries*	**300,000**	300,000
Total	**300,000**	300,000

*Investment in subsidiary is stated at cost less accumulated impairment losses in the Company's financial statements.

Considering the fact that TCS Financial Solutions Australia Pty Limited is a profitable company despite the pandemic situation, management believes there is no trigger for impairment.

c. Other financial assets

(Amount in AUD)

	As at March 31, 2022	As at March 31, 2021
Loan to Subsidiary	**6,027,421**	6,027,421
Total	**6,027,421**	6,027,421

d. Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

(Amount in AUD)

Financial assets	Amortised cost	Total carrying value
Cash and cash equivalents	**2,900**	**2,900**
Other financial assets	**6,027,421**	**6,027,421**
Total	**6,030,321**	**6,030,321**

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(Amount in AUD)

Financial assets	Amortised cost	Total carrying value
Cash and cash equivalents	2,950	2,950
Other financial assets	6,027,421	6,027,421
Total	6,030,371	6,030,371

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables, trade payables and other financial liabilities as at March 31, 2022 and 2021 approximate the fair value.

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e. 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.

f. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

- **Foreign currency exchange**

The Company is not exposed to foreign currency exchange rate risk.

- **Interest rate risk**

The Company is not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consist of cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was AUD 6,030,321 and AUD 6,030,371 as of March 31, 2022 and March 31, 2021, respectively being the total of the carrying amount of balances with bank and other financial assets. Balance with bank are held with banks with high credit ratings.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

g. Equity instruments

(Amount in AUD)

Authorised, issued, subscribed and paid up Share capital Authorised:	As at March 31, 2022	As at March 31, 2021
37,258,815 ordinary shares of AUD 1 each	**37,258,815**	37,258,815
Issued, Subscribed & Fully paid up :		
37,258,815 ordinary shares of AUD 1 each	**37,258,815**	37,258,815

Share holding	Percentage	Percentage
Tata Consultancy Services Limited	**100%**	100%

Capital management

The Company's objective for capital management is to maximize 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 product 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.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying

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amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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 lease are recognised as an expense on a straight-line basis over the lease term.

9. COST RECOGNITION

The costs of the company are broadly categorised into other operating expenses which mainly include bank charges.

The Company decided to present an analysis of expenses recognized in the Profit or Loss using a classification based on their nature instead of by their function as classification of expenses by nature is considered to provide more reliable and relevant information to users than their classification by function. Information on the nature of expenses is useful in predicting future cash flows. Classification by nature is simple and does not require allocations and involves lesser management judgement. The Company intends to follow this approach on a consistent basis.

(Amount in AUD)

	Year ended March 31, 2022	Year ended March 31, 2021
Other operating expenses		
Bank charges	**50**	51
Total	**50**	51

10. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

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

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. 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.

Deferred income taxes

The Company accounts for the deferred income taxes using the balance sheet approach. Deferred income taxes are provided for the differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

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

The income tax expense consists of the following:

(Amount in AUD)

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
Current tax expense	**46**	-
Total	**46**	-

The reconciliation of estimated income tax expense at the Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:-

(Amount in AUD)

Current tax expenses	Year ended March 31, 2022	Year ended March 31, 2021
Income before taxes	**7,499,950**	14,999,949
Statutory tax rate	**30.00%**	30.00%
Expected income tax expense	**2,249,985**	4,499,985
Less: Income exempt from tax	**(2,249,985)**	(4,499,985)
Operating losses carry forwards	**-**	-
Tax pertaining to prior years:		
Current tax	**46**	-
Total tax expense	**46**	-

11. RELATED PARTY TRANSACTIONS

TCS FNS Pty Ltd principal related parties consist of its holding company Tata Consultancy Services Ltd and its subsidiaries, its subsidiary TCS Financial Solutions Australia Pty Limited and its key managerial personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business. Below tables include transactions entered during the year and balances as of March 31, 2022 and 2021.

Transactions and balances with related parties

For the year ended March 31, 2022

(Amount in AUD)

Particulars	With Tata Consultancy Services Limited, Holding Company	With TCS Financial Solutions Australia Pty Limited, Subsidiary Company	Total
Dividend paid	**7,500,000**	**-**	**7,500,000**
Dividend received	**-**	**7,500,000**	**7,500,000**
Loan given	**-**	**6,027,421**	**6,027,421**

For the year ended March 31, 2021

(Amount in AUD)

Particulars	With Tata Consultancy Services Limited, Holding Company	With TCS Financial Solutions Australia Pty Limited, Subsidiary Company	Total
Dividend paid	15,000,000	-	15,000,000
Dividend received	-	15,000,000	15,000,000
Loan given	-	6,027,421	6,027,421

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12. GOING CONCERN

Management has taken into account the impact of COVID-19 on the business for the foreseeable future and have concluded that the company has sufficient resources to continue as a going concern.

13. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

14. CONSOLIDATION

The following set of financial statements represents the financial statements of the entity. The exemption under IAS27.16(1) has been applied and consolidated financial statements were not prepared. The consolidated financial statements of the parent company are available on demand.

TATA CONSULTANCY SERVICES BELGIUM

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended
March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS AND DECLARATION REGARDING A COMPLIMENTARY REVIEW OR CORRECTION ASSIGNMENT

LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS

COMPLETE LIST with surname, first names, profession, place of residence (address, number, postal code and town) and position within the company

GAITONDE Pradeep

C19 Happyhome 21st Martin Road . Bandra West, Mumbai, India

Mandate: Director, start: 06/08/2019, end: 02/08/2022

MATHEW VARGHESE Jipson
Avenue Princesse Paola 37, 1410 Waterloo, Belgium
Mandate: Delegated director, start: 29/07/2021, end: 04/08/2026

CHAPALAPALLI Sapthagiri
Am Römerhof 51, 60486 Frankfurt Am Main, Germany
Mandate: Delegated director, start: 29/07/2021, end: 04/08/2026

MUKHERJEE Ajoyendra
Prince Anwar Shah Road 375, 700068 West Bengal, India
Mandate: Director, start: 06/08/2019, end: 29/07/2021

KAPUR Amit
House 1527, Sector 16 . Faridabad, Haryana, India
Mandate: Director, start: 06/08/2019, end: 29/07/2021

KARKARIA Pauroosasp
Andheri West, Jai Prakash Road, Manish Tower, Fl 1202, 400 053 Mumbai, India
Mandate: Delegated director, start: 06/08/2019, end: 29/07/2021

BAJAJ Amit
Ulriksborgsgaten 16, box 2303, 112 18 Stockholm, Sweden
Mandate: Director, start: 18/07/2019, end: 29/07/2021

KPMG Bedrijfsrevisoren BV 0419.122.548
Luchthaven Brussel Nationaal 1, box K, 1930 Zaventem, Belgium
Membership number: B00001
Mandate: Auditor, start: 31/05/2019, end: 30/05/2022

Represented by:

1. **Carton Melissa**

   Luchthaven Brussel Nationaal 1 , box K, 1930 Zaventem, Belgium

   Membership number : A02426

DECLARATION REGARDING A COMPLIMENTARY REVIEW OR CORRECTION ASSIGNMENT

The managing board declares that not a single audit or correction assignment has been given to a person not authorized to do so by law, pursuant to articles 34 and 37 of the law of 22 April 1999 concerning accounting and tax professions.

The annual accounts ~~were~~ / were not * audited or corrected by an external accountant or by a company auditor who is not the statutory auditor.

If affirmative, should be mentioned hereafter: surname, first names, profession and address of each external accountant or company auditor and their membership number at their Institute, as well as the nature of their assignment:

A. Bookkeeping of the company **,

B. Preparing the annual accounts **,

C. Auditing the annual accounts and/or

D. Correcting the annual accounts.

If the tasks mentioned under A or B are executed by certified accountants or certified bookkeepers - tax experts, the following information can be mentioned hereafter: surname, first names, profession and address of each certified accountant or certified bookkeeper-tax expert and their membership number at the Institute of Accounting professionals and Tax Experts, as well as the nature of their assignment.

Surname, first names, profession and address	Membership number	Nature of the assignment (A, B, C and/or D)

ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL MEETING OF SHAREHOLDERS

Dear Sirs,

We have the honour to report to you on the activities of the Company during the closed financial year and to submit the annual accounts closed on 31 March 2022 for approval in accordance with the legal and statutory stipulations.

1. REMARKS ON THE ANNUAL ACCOUNTS

1.1. Balance after appropriation

The fixed assets have decreased from EUR 2,920,751.09 to EUR 2,039,437.60 for the closed financial year.

The current assets have decreased from EUR 99,772,569.73 to EUR 94,157,131.06.

The net assets (equity) have decreased from EUR 58,363,548.69 to EUR 50,370,265.63 for the closed financial year.

The payables have increased from EUR 43,864,382.27 to EUR 45,462,329.78.

1.2. Income statement

Operating income	EUR	268,897,332.40
Operating charges (-)	EUR	253,198,946.09

The turnover of this year has increased from EUR 264,753,630.63 to EUR 274,060,537.38 i.e. with 3,52 as compared to the previous financial year.

The operating charges have increased from EUR 236,249,519.91 to EUR 253,198,946.09, i.e. 7,17 as compared to the previous financial year.

The financial income has increased from EUR 538,150.35 to EUR 718,060.32.

The financial charges have decreased from EUR 808,695.53 to EUR 510,026.63.

This has resulted in a profit before taxes amounting to EUR 15,906,420.00, as opposed to a profit before taxes amounting to EUR 24,598,802.70 for the previous financial year.

The taxes amount to EUR 3,899,703.06.

The Company has booked a profit of the financial year after taxes of EUR 12,006,716.94 as compared to EUR 18,242,089.70 for the previous financial year.

1.3. Appropriation of the result

We propose the following appropriation to you:

Profit of the financial year to be appropriated	EUR	12,006,716.94
Profit carried forward from the previous financial year	EUR	58,142,390.13
Profit to appropriate	EUR	70,149,107.07
Interim dividends 2021-2022	EUR	(20,000,000.00)
Profit to carry forward	EUR	50,149,107.07

2. MAIN RISKS, UNCERTAINTIES AND MITIGATION

The continuing COVID-19 pandemic emerged as a global challenge, creating continuous disruption across the world. Governments and organizations across the world are continuing to support through significant actions, to address the challenges posed by this critical situation.

While the Company continues to leverage its strong portfolio of services to partner with its diversified customers, the impact on future revenue streams could come from, customers postponing their discretionary spend due to change in priorities, coupled with inability of the customers to continue their business.

The Company throughout the year took proactive measures, such as travel restrictions, cancellation of events and large internal meetings, safe working environments and regular connect with the employees to ensure their health and safety, which has helped to minimize the impact.

The Company institutionalized its Secure Borderless Work Space™ (SBWS™) model, which allowed its employees to work from home, with support from minimal associates working from office, to ensure business support to all its customers. The Company was able to seamlessly adapt and extend this model to prospect for new business, sell, contract and execute programs with strong cybersecurity framework, project management practices and systems needed to ensure that work allocation, monitoring and reporting continued as normal.

Considering the above circumstances coupled with its positive liquidity position, the possibility to re-align the cost structure to maintain profitability, the Company has not identified any risks to its ability to function as a going concern.

The company continues to strive ahead with its growth agenda in Belgium, countering changes in the ecosystem and seamlessly integrating TCS's Secure Borderless Workspaces™ (SBWS™). In a year of unparalleled ambiguity, TCS stood out as the 'partner of choice' for ambitious transformation projects envisaged by Belgium's leading businesses.

3. INFORMATION ON THE IMPORTANT EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

There were no significant subsequent events that have occurred after the end of the financial year under review other than the ongoing COVID 19 pandemic which have been covered above. The board of directors will continue to monitor the situation and take measures as per the requirements for the benefit of the Company.

4. CIRCUMSTANCES WHICH CAN SIGNIFICANTLY INFLUENCE THE DEVELOPMENT OF THE COMPANY

With the exception of the impact of the ongoing COVID 19 pandemic which has been covered above, we do not foresee any circumstances that can influence the development of the Company significantly.

5. RESEARCH AND DEVELOPMENT

During the closed financial year there were no activities carried out in the field of research and development.

6. CONFLICT OF INTEREST IN THE BOARD OF DIRECTORS (ARTICLE 7:96 OF THE CODE OF COMPANIES AND ASSOCIATIONS)

We mention that during the financial year there were no conflicts of interests that fall within the scope of article 7:96 of the Code of companies and associations.

7. ANNOUNCEMENT REGARDING THE USE OF FINANCIAL INSTRUMENTS BY THE COMPANY IN SO FAR THAT THESE ARE OF IMPORTANCE FOR THE REVIEW OF ITS ASSETS, LIABILITIES, ITS FINANCIAL SITUATION AND ITS RESULTS

The Company does not use such instruments.

8. BRANCH OFFICES

The Company does not own any branches.

9. CAPITAL MUTATIONS AND ISSUE OF CONVERTABLE BONDS AND WARRANTS AS DECIDED BY THE BOARD OF DIRECTORS IN THE COURSE OF THE FINANCIAL YEAR

The board of directors notifies that there were no capital mutations during the financial year to be reported in conformity with article 7:203 of the Code of companies and associations, nor were there convertible bonds or warrants issued after a decision of the board of directors.

10. ACQUISITION OF OWN SHARES

The board of directors notifies that neither the Company nor a direct subsidiary nor a person acting in own name but for the account of the Company or a direct subsidiary has acquired shares, profit certificates or certificates of the Company.

We hope that you will approve the attached annual accounts and will also grant discharge to the directors and the statutory auditor for the acts carried out during the execution of their mandate during the closed financial year.

17 May 2022,

In the name and on behalf of the board of directors,

____

Jipson MATHEW VARGHESE

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF TATA CONSULTANCY SERVICES BELGIUM NV ON THE ANNUAL ACCOUNTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

In the context of the statutory audit of the annual accounts of TATA Consultancy Services Belgium NV ("the Company"), we provide you with our statutory auditor's report. This includes our report on the annual accounts for the year ended March 31, 2022, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of May 31, 2019, in accordance with the proposal of the board of directors. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended March 31, 2022. We have performed the statutory audit of the annual accounts of TATA Consultancy Services Belgium NV for six consecutive financial years.

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the Company as of and for the year ended March 31, 2022, prepared in accordance with the financial reporting framework applicable in Belgium. These annual accounts comprise the balance sheet as at March 31, 2022, the income statement for the year then ended and notes. The balance sheet total amounts to EUR 96.196.569 and the income statement shows a profit for the year of EUR 12.006.717.

In our opinion, the annual accounts give a true and fair view of the Company's equity and financial position as at March 31, 2022 and of its financial performance for the year then ended in accordance with the financial reporting framework applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the annual accounts" section of our report. We have complied with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Board of directors' responsibilities for the preparation of the annual accounts

The board of directors is responsible for the preparation of these annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance as to whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these annual accounts.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the annual accounts in Belgium. The scope of the statutory audit of the annual accounts does not extend to providing assurance on the future viability of the Company nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Company. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;
- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other legal and regulatory requirements

Responsibilities of the Board of directors

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the annual accounts, of the documents required to be filed in accordance with the legal and regulatory requirements, for maintaining the Company's accounting records in compliance with the applicable legal and regulatory requirements, as well as for the Company's compliance with the Companies' and Associations' Code and the Company's articles of association.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the annual accounts, certain documents to be filed in accordance with legal and regulatory requirements as well as compliance with certain requirements of the Companies' and Associations' Code and with the Company's articles of association, and to report on these matters.

Aspects concerning the board of directors' annual report on the annual accounts

Based on specific work performed on the board of directors' annual report on the annual accounts, we are of the opinion that this report is consistent with the annual accounts for the same period and has been prepared in accordance with articles 3:5 and 3:6 of the Companies' and Associations' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the annual accounts contains material misstatements, that is information incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

Information regarding the social balance sheet

The social balance sheet, which is to be filed with the National Bank of Belgium in accordance with article 3:12 §1 8° of the Companies' and Associations' Code, includes, with respect to form and content, the information required by law, including the information regarding salaries and training, and does not present any material inconsistencies with the information that we became aware of during the performance of our engagement.

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the annual accounts and our audit firm remained independent of the Company during the term of our mandate.

Other aspects

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- We do not have to inform you of any transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' and Associations' Code.

Zaventem, May 17, 2022

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises

Statutory Auditor represented by

Melissa Carton

Bedrijfsrevisor / Réviseur d'Entreprises

BALANCE SHEET

	Note	As at March 31, 2022	As at March 31, 2021
			(EUR)
ASSETS			
FORMATION EXPENSES	6.1		
FIXED ASSETS		**2.039.437,60**	2.920.751,09
Intangible fixed assets	6.2	**276.725,52**	510.299,35
Tangible fixed assets	6.3	**1.761.712,08**	2.409.451,74
Land and buildings			
Plant, machinery and equipment		**1.060.908,22**	1.895.520,24
Furniture and vehicles		**383.904,66**	271.002,32
Leasing and other similar rights			
Other tangible fixed assets			
Assets under construction and advance payments		**316.899,20**	242.929,18
	6.4		
Financial fixed assets	6.5.1	**1.000,00**	1.000,00
Affiliated company	6.15	**1.000,00**	1.000,00
Participating interests		**1.000,00**	1.000,00
Amounts receivable			
Other companies linked by participating interests	6.15		
Participating interests			
Amounts receivable			
Other financial fixed assets			
Shares			
Amounts receivable and cash guarantees			
CURRENT ASSETS		**94.157.131,06**	99.772.569,73
Amounts receivable after more than one year			
Trade debtors			
Other amounts receivable			
Stocks and contracts in progress		**6.362.408,43**	13.369.737,65
Stocks			
Raw materials and consumables			
Work in progress			
Finished goods			
Goods purchased for resale			
Immovable property intended for sale			
Advance payments			
Contracts in progress		**6.362.408,43**	13.369.737,65
Amounts receivable within one year		**81.621.701,64**	67.566.932,49
Trade debtors		**78.931.161,71**	66.439.377,19
Other amounts receivable		**2.690.539,93**	1.127.555,30
Current investments	6.6	**0,26**	0,26
Own shares			
Other investments		**0,26**	0,26
Cash at bank and in hand		**4.053.010,64**	16.887.256,84
Accruals and deferred income	6.6	**2.120.010,09**	1.948.642,49
TOTAL ASSETS		**96.196.568,66**	102.693.320,82

(EUR)

	Note	As at March 31, 2022	As at March 31, 2021
EQUITY AND LIABILITIES			
EQUITY		**50.370.265,63**	58.363.548,69
Contributions	6.7.1	**188.658,56**	188.658,56
Capital		**188.658,56**	188.658,56
Issued capital		**325.000,00**	325.000,00
Uncalled capital[4]		**136.341,44**	136.341,44
Beyond capital			
Share premium account			
Other			
Revaluation surpluses			
Reserves		**32.500,00**	32.500,00
Reserves not available		**32.500,00**	32.500,00
Legal reserve		**32.500,00**	32.500,00
Reserves not available statutorily			
Purchase of own shares			
Financial support			
Others			
Untaxed reserves			
Available reserves			
Accumulated profits (losses) .(+)/(-)		**50.149.107,07**	58.142.390,13
Capital subsidies			
Advance to shareholders on the distribution of net assets [5]			
PROVISIONS AND DEFERRED TAXES		**363.973,25**	465.389,86
Provisions for liabilities and charges		**363.973,25**	465.389,86
Pensions and similar obligations			
Taxes			
Major repairs and maintenance			
Environmental obligations			
Other liabilities and charges	6.8	**363.973,25**	465.389,86
Deferred taxes			
AMOUNTS PAYABLE		**45.462.329,78**	43.864.382,27

(EUR)

	Note	As at March 31, 2022	As at March 31, 2021
Amounts payable after more than one year	6.9		
Financial debts			
Subordinated loans			
Unsubordinated debentures			
Leasing and other similar obligations			
Credit institutions			
Other loans			
Trade debts			
Suppliers			
Bills of exchange payable			
Advances payments on contracts in progress			
Other amounts payable			
Amounts payable within one year	6.9	**45.300.572,69**	43.691.712,83
Current portion of amounts payable after more than one year falling due within one year			
Financial debts			
Credit institutions			
Other loans			
Trade debts		**37.114.262,53**	29.620.362,95
Suppliers		**37.114.262,53**	29.620.362,95
Bills of exchange payable			
Advances payables on contracts in progress		**3.348.846,57**	3.189.895,29
Taxes, remuneration and social security	6.9	**4.837.233,88**	10.881.340,38
Taxes		**614.738,64**	7.251.051,20
Remuneration and social security		**4.222.495,24**	3.630.289,18
Other amounts payable		**229,71**	114,21
Accruals and deferred income	6.9	**161.757,09**	172.669,44
TOTAL LIABILITIES		**96.196.568,66**	102.693.320,82

Profit and Loss Account

(EUR)

	Note	Year ended March 31, 2022	Year ended March 31, 2022
OPERATING INCOME AND CHARGES		**268.897.332,40**	261.118.867,79
Turnover	6.10	**274.060.537,38**	264.753.630,63
Stocks of finished goods and work and contracts in progress: increase (decrease) (+)/(-)		**(7.007.329,22)**	(5.458.613,60)
Produced fixed assets			
Other operating income	6.10	**1.844.124,24**	1.823.850,76
Non-recurring operating income	6.12		
OPERATING CHARGES		**253.198.946,09**	236.249.519,91
Goods for resale, raw materials and consumables		**177.585.786,58**	164.698.737,98
Purchases		**177.585.786,58**	164.698.737,98
Stocks: decrease (increase) (+)/(-)			
Services and other goods		**14.875.555,81**	10.485.196,93
Remuneration, social security and pensions (+)/(-)	6.10	**59.520.520,59**	59.883.292,20
Amortisations of and other amounts written down on formation expenses, intangible and tangible fixed assets		**1.218.224,21**	1.157.640,22
Amounts written down on stocks, contracts in progress and trade debtors: additions (write-backs) (+)/(-)	6.10	**13.693,07**	(3.643,16)
Provisions for liabilities and charges: appropriations (uses and write-backs) (+)/(-)	6.10	**(101.416,61)**	(62.349,58)
Other operating charges	6.10	**85.990,95**	90.645,32
Operating charges reported as assets under restructuring costs (+)/(-)			
Non-recurring operating charges	6.12	**591,49**	
OPERATING PROFIT (LOSS) (+)/(-)		**15.698.386,31**	24.869.347,88

Continued

	Note	Year ended March 31, 2022	Year ended March 31, 2021
			(EUR)
FINANCIAL INCOME		**718.060,32**	538.150,35
Recurring financial income		**718.060,32**	538.150,35
Income from financial fixed assets		**1.071,43**	1.428,57
Income from current assets		**970,74**	929,32
Other financial income	6.11	**716.018,15**	535.792,46
Non-recurring financial income	6.12		
FINANCIAL CHARGES	6.11	**510.026,63**	808.695,53
Recurring financial charges		**510.026,63**	808.695,53
Debt charges			
Amounts written down on current assets other than stocks, contracts in progress and trade debtors: additions (write-backs) (+)/(-)			
Other financial charges		**510.026,63**	808.695,53
Non-recurring financial charges	6.12		
PROFIT (LOSS) FOR THE PERIOD BEFORE TAXES (+)/(-)		**15.906.420,00**	24.598.802,70
Transfer from deferred taxes			
Transfer to deferred taxes			
INCOME TAXES ON THE RESULT (+)/(-)	6.13	**3.899.703,06**	6.356.713,00
Taxes		**3.899.703,06**	6.619.838,02
Adjustment of income taxes and write-back of tax provisions			263.125,02
PROFIT (LOSS) FOR THE PERIOD (+)/(-)		**12.006.716,94**	18.242.089,70
Transfer from untaxed reserves			
Transfer to untaxed reserves			
PROFIT (LOSS) FOR THE PERIOD AVAILABLE FOR APPROPRIATION (+)/(-)		**12.006.716,94**	18.242.089,70

Appropriation Account

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit (loss) to be appropriated (+)/(-)	70.149.107,07	58.142.390,13
Profit (Loss) of the period available for appropriation (+)/(-)	12.006.716,94	18.242.089,70
Profit (Loss) of the preceding period brought forward (+)/(-)	58.142.390,13	39.900.300,43
Transfers from equity		
from contributions		
from reserves		
Appropriations to equity		
to contributions		
to legal reserve		
to other reserves		
Profit (loss) to be carried forward (+)/(-)	50.149.107,07	58.142.390,13
Shareholders' contribution in respect of losses		
Profit to be distributed	20.000.000,00	
Compensation for contributions	20.000.000,00	
Directors or managers		
Employees		
Other beneficiaries		

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6.2.3 CONCESSIONS, PATENTS, LICENCES, KNOWHOW, BRANDS AND SIMILAR RIGHTS

(EUR)

	As at March 31, 2022	As at March 31, 2021
Acquisition value at the end of the period	xxxxxxxxxxxxxxx	934.295,39
Movements during the period		
Acquisitions, including produced fixed assets		115.494,63
Sales and disposals		
Transfers from one heading to another(+)/(-)		
Acquisition value at the end of the period	**934.295,39**	
Amortisations and amounts written down at the end of the period	xxxxxxxxxxxxxxx	423.996,04
Movements during the period		
Recorded	**233.573,83**	
Written back		
Acquisitions from third parties		
Cancelled owing to sales and disposals		
Transfers from one heading to another (+)/(-)		
Amortisations and amounts written down at the end of the period	**657.569,87**	
NET BOOK VALUE AT THE END OF THE PERIOD	**276.725,52**	

6.3.2 PLANT, MACHINERY AND EQUIPMENT

(EUR)

	As at March 31, 2022	As at March 31, 2021
Acquisition value at the end of the period	xxxxxxxxxxxxx	3.597.337,24
Movements during the period		
Acquisitions, including produced fixed assets	**55.383,75**	
Sales and disposals		
Transfers from one heading to another(+)/(-)		
Acquisition value at the end of the period	**3.652.720,99**	
Revaluation surpluses at the end of the period	xxxxxxxxxxxxx	
Movements during the period		
Recorded		
Acquisitions from third parties		
Cancelled		
Transfers from one heading to another (+)/(-)		
Revaluation surpluses at the end of the period		
Amortisations and amounts written down at the end of the period	xxxxxxxxxxxxx	1.701.817,00
Movements during the period		
Recorded	**889.995,77**	
Written back		
Acquisitions from third parties		

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	As at March 31, 2022	As at March 31, 2021
Cancelled owing to sales and disposals		
Transfers from one heading to another (+)/(-)		
Amortisations and amounts written down at the end of the period	**2.591.812,77**	
NET BOOK VALUE AT THE END OF THE PERIOD	**1.060.908,22**	

6.3.3 FURNITURE AND VEHICLES

(EUR)

	As at March 31, 2022	As at March 31, 2021
Acquisition value at the end of the period	**xxxxxxxxxxxxx**	1.121.986,39
Movements during the period		
Acquisitions, including produced fixed assets	**208.158,68**	
Sales and disposals	**350.699,11**	
Transfers from one heading to another(+)/(-)		
Acquisition value at the end of the period	**979.445,96**	
Revaluation surpluses at the end of the period	**xxxxxxxxxxxxx**	
Movements during the period		
Recorded		
Acquisitions from third parties		
Cancelled		
Transfers from one heading to another (+)/(-)		
Revaluation surpluses at the end of the period		
Amortisations and amounts written down at the end of the period	**xxxxxxxxxxxxx**	850.984,07
Movements during the period		
Recorded	**94.654,61**	
Written back		
Acquisitions from third parties		
Cancelled owing to sales and disposals	**350.097,38**	
Transfers from one heading to another (+)/(-)		
Amortisations and amounts written down at the end of the period	**595.541,30**	
NET BOOK VALUE AT THE END OF THE PERIOD	**383.904,66**	

6.3.6 ASSETS UNDER CONSTRUCTION AND ADVANCED PAYMENTS

(EUR)

	As at March 31, 2022	As at March 31, 2021
Acquisition value at the end of the period	**xxxxxxxxxxxxx**	242.929,18
Movements during the period		
Acquisitions, including produced fixed assets	**73.970,02**	

	As at March 31, 2022	As at March 31, 2021
Sales and disposals		
Transfers from one heading to another (+)/(-)		
Acquisition value at the end of the period	**316.899,20**	
Revaluation surpluses at the end of the period	**xxxxxxxxxxxxx**	-
Movements during the period		
Recorded		
Acquisitions from third parties		
Cancelled		
Transfers from one heading to another (+)/(-)		
Revaluation surpluses at the end of the period		
Amortisations and amounts written down at the end of the period	**xxxxxxxxxxxxx**	
Movements during the period		
Recorded		
Written back		
Acquisitions from third parties		
Cancelled owing to sales and disposals		
Transfers from one heading to another (+)/(-)		
Amortisations and amounts written down at the end of the period		
NET BOOK VALUE AT THE END OF THE PERIOD	**316.899,20**	

6.4.1 STATEMENT OF FINANCIAL FIXED ASSETS

(EUR)

	As at March 31, 2022	As at March 31, 2021
AFFILIATED COMPANIES - PARTICIPATING INTERESTS AND SHARES		
Acquisition value at the end of the period	**xxxxxxxxxxxxx**	1.000,00
Movements during the period		
Acquisitions		
Sales and disposals		
Transfers from one heading to another (+)/(-)		
Acquisition value at the end of the period	**1.000,00**	
Revaluation surpluses at the end of the period	**xxxxxxxxxxxxx**	
Movements during the period		
Recorded		
Acquisitions from third parties		
Cancelled		
Transfers from one heading to another (+)/(-)		
Revaluation surpluses at the end of the period		
Amounts written down at the end of the period	**xxxxxxxxxxxxx**	

	As at March 31, 2022	As at March 31, 2021
Movements during the period		
Recorded		
Written back		
Acquisitions from third parties		
Cancelled owing to sales and disposals		
Transfers from one heading to another (+)/(-)		
Amounts written down at the end of the period		
Uncalled amounts at the end of the period	**xxxxxxxxxxxxx**	
Movements during the period (+)/(-)		
Uncalled amounts at the end of the period		
NET BOOK VALUE AT THE END OF THE PERIOD	**1.000,00**	
AFFILIATED COMPANIES - AMOUNTS RECEIVABLE		
NET BOOK VALUE AT THE END OF THE PERIOD	**xxxxxxxxxxxxx**	
Movements during the period		
Appropriations		
Repayments		
Amounts written down		
Amounts written back		
Exchange differences (+)/(-)		
Other movements (+)/(-)		
NET BOOK VALUE AT THE END OF THE PERIOD		
ACCUMULATED AMOUNTS WRITTEN OFF ON AMOUNTS RECEIVABLE AT THE END OF THE PERIOD		

6.5.1 PARTICIPATING INTERESTS INFORMATION

PARTICIPATING INTERESTS AND OTHER RIGHTS IN OTHER COMPANIES

The following list mentions the companies in which the company holds a participating interest (recorded in headings 280 and 282 of assets), as well as the companies in which the company holds rights (recorded in headings 284 and 51/53 of assets) for an amount of at least 10% of the capital, the equity or a class of shares of the company.

NAME, full address of the REGISTERED OFFICE and, for an entity governed by Belgian law, the COMPANY REGISTRATION NUMBER	Rights held				Data extracted from the most recent annual accounts			
	Nature	Directly		Subsidiaries	Annual accounts as per	Currency code	Equity	Net result
		Number	%	%			(+) of (-) (in units)	
Tata Consultancy Services Luxembourg SA Public limited liability company Rue Pafebruch 89D 8308 Capellen Luxembourg	Ordinary shares	1	0,01	0,00	31/03/2021	EUR	12.847.651	6.146.044

6.6 CURRENT INVESTMENTS AND ACCRUALS AND DEFERRED INCOME

(EUR)

	As at March 31, 2022	As at March 31, 2021
CURRENT INVESTMENTS - OTHER INVESTMENTS		
Shares and investments other than fixed income investments		
Shares - Book value increased with the uncalled amount		
Shares - Uncalled amount		
Precious metals and works of art		
Fixed income securities		
Fixed income securities issued by credit institutions		
Term accounts with credit institutions	**0,26**	0,26
With a remaining term or notice		
up to one month		
between one month and one year	**0,26**	0,26
over one year		
Other investments not mentioned above		

(EUR)

	As at March 31, 2022
ACCRUALS AND DEFERRED INCOME	
Allocation of account 490/1 of assets if the amount is significant	
Deferred operating expenses	**2.120.010,09**

6.7.1 STATEMENT OF CAPITAL AND SHAREHOLDERS' STURCTURE

(EUR)

	As at March 31, 2022	As at March 31, 2021
STATEMENT OF CAPITAL		
Capital		
Issued capital at the end of the period	**XXXXXXXXXXXXXX**	325.000,00
Issued capital at the end of the period	**325.000,00**	

(EUR)

Modifications during the period	Amount	Number of shares
Composition of the capital		
Share types		
Without face value	**325.000,00**	**1.300**
Registered shares	**XXXXXXXXXXXXXX**	**1.300**
Shares dematerialized	**XXXXXXXXXXXXXX**	

(EUR)

	Uncalled Capital	Called up amount, unpaid
Unpaid capital		
Uncalled capital	**136.341,44**	**XXXXXXXXXXXXXX**
Called up capital, unpaid	**XXXXXXXXXXXXXX**	
Shareholders that still need to pay up in full		
Tata Consultancy Services Ltd	**136.341,44**	

(EUR)

	As at March 31, 2022
Own shares	
Held by the company itself	
Amount of capital held	
Number of shares	
Held by a subsidiary	
Amount of capital held	
Number of shares	
Commitments to issuing shares	
Owing to the exercise of conversion rights	
Amount of outstanding convertible loans	
Amount of capital to be subscribed	
Corresponding maximum number of shares to be issued	
Owing to the exercise of subscription rights	
Number of outstanding subscription rights	
Amount of capital to be subscribed	
Corresponding maximum number of shares to be issued	
Authorised capital not issued	
Shares issued, non-representing capital	
Distribution	
Number of shares	
Number of voting rights attached thereto	
Allocation by shareholder	
Number of shares held by the company itself	
Number of shares held by its subsidiaries	

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(EUR)

	As at March 31, 2022
ADDITIONAL NOTES REGARDING CONTRIBUTIONS (INCLUDING CONTRIBUTIONS IN THE FORM OF SERVICES OR KNOW-HOW)	

6.7.2 SHAREHOLDERS' STRUCTURE OF THE COMPANY AT YEAR-END CLOSING DATE

As reflected in the notifications received by the company pursuant to article 7:225 of the Belgian Companies and Associations Code, article 14 fourth paragraph of the law of 2 May 2007 on the publication of major holdings and article 5 of the Royal Decree of 21 August 2008 on further rules for certain multilateral trading facilities.

TATA CONSULTANCY SERVICES LTD.	1.300 shares

6.8 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

(EUR)

	As at March 31, 2022
ALLOCATION OF ACCOUNT 164/5 OF LIABILITIES IF THE AMOUNT IS SIGNIFICANT	
Provisions for forseeable Losses on Projects	**9.674,91**
Provisions for other liabilities	**354.298,34**

6.9 STATEMENT OF AMOUNTS PAYABLE AND ACCRUALS AND DEFERRED INCOME (LIABILITIES)

(EUR)

	As at March 31, 2022
BREAKDOWN OF AMOUNTS PAYABLE WITH AN ORIGINAL TERM OF MORE THAN ONE YEAR, ACCORDING TO THEIR RESIDUAL MATURITY	
Current portion of amounts payable after more than one year falling due within one year	
Financial debts	
Subordinated loans	
Unsubordinated debentures	
Leasing and other similar obligations	
Credit institutions	
Other loans	
Trade debts	
Suppliers	
Bills of exchange payable	
Advance payments on contracts in progress	
Other amounts payable	
Total current portion of amounts payable after more than one year falling due within one year	

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Notes forming part of the Financial Statements

(EUR)

	As at March 31, 2022
Amounts payable with a remaining term of more than one year, yet less than 5 years	
Financial debts	
Subordinated loans	
Unsubordinated debentures	
Leasing and other similar obligations	
Credit institutions	
Other loans	
Trade debts	
Suppliers	
Bills of exchange payable	
Advance payments on contracts in progress	
Other amounts payable	
Total amounts payable with a remaining term of more than one year, yet less than 5 years	
Amounts payable with a remaining term of more than 5 years	
Financial debts	
Subordinated loans	
Unsubordinated debentures	
Leasing and other similar obligations	
Credit institutions	
Other loans	
Trade debts	
Suppliers	
Bills of exchange payable	
Advance payments on contracts in progress	
Other amounts payable	
Amounts payable with a remaining term of more than 5 years	
AMOUNTS PAYABLE GUARANTEED (included in accounts 17 and 42/48 of liabilities)	
Amounts payable guaranteed by the Belgian government agencies	
Financial debts	
Subordinated loans	
Unsubordinated debentures	

(EUR)

	As at March 31, 2022
Leasing and other similar obligations	
Credit institutions	
Other loans	
Trade debts	
Suppliers	
Bills of exchange payable	
Advance payments on contracts in progress	
Remuneration and social security	
Other amounts payable	
Total of the amounts payable guaranteed by the Belgian government agencies	
Amounts payable guaranteed by real securities given or irrevocably promised by the company on its own assets	
Financial debts	
Subordinated loans	
Unsubordinated debentures	
Leasing and other similar obligations	
Credit institutions	
Other loans	
Trade debts	
Suppliers	
Bills of exchange payable	
Advance payments on contracts in progress	
Taxes, remuneration and social security	
Taxes	
Remuneration and social security	
Other amounts payable	
Total amounts payable guaranteed by real securities given or irrevocably promised by the company on its own assets	

TAXES, REMUNERATION AND SOCIAL SECURITY

(EUR)

	As at March 31, 2022
Taxes (headings 450/3 and 178/9 of the liabilities)	
Outstanding tax debts	
Accruing taxes payable	**614.738,64**
Estimated taxes payable	
Remuneration and social security (headings 454/9 and 178/9 of the liabilities)	
Amounts due to the National Social Security Office	
Other amounts payable in respect of remuneration and social security	**4.222.495,24**

ACCRUALS AND DEFERRED INCOME

(EUR)

	As at March 31, 2022
Allocation of heading 492/3 of liabilities if the amount is significant	
Accrued operating expenses	**161.757,09**

6.10 OPERATING RESULTS

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
OPERATING INCOME		
Net turnover		
Allocation by categories of activity		
Allocation by geographical markets		
Other operating income		
Operating subsidies and compensatory amounts received from public authorities		
OPERATING CHARGES		
Employees for whom the company submitted a DIMONA declaration or who are recorded in the general personnel register		
Total number at the closing date	**187**	156
Average number of employees calculated in full-time equivalents	**162,3**	138,5
Number of actual worked hours	**286.605**	247.088
Personnel costs		
Remuneration and direct social benefits	**46.325.530,43**	48.952.734,56
Employers' social security contributions	**4.017.610,22**	3.384.784,06
Employers' premiums for extra statutory insurances		64.870,78
Other personnel costs	**9.177.379,94**	7.480.902,80
Retirement and survivors' pensions		
Provisions for pensions and similar obligations		

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Notes forming part of the Financial Statements

	Year ended March 31, 2022	Year ended March 31, 2021
Appropriations (uses and write-backs) (+) / (-)		
Depreciations		
On stock and contracts in progress		
Recorded		
Written back		
On trade debtors		
Recorded	**13.712,62**	
Written back	**19,55**	3.643,16
Provisions for liabilities and charges		
Appropriations		
Uses and write-back	**101.416,61**	62.349,58
Other operating charges		
Taxes related to operation	**78.960,10**	90.645,32
Other charges	**7.030,85**	
Hired temporary staff and persons placed at the company's disposal		
Total number at the closing date		
Average number calculated as full-time equivalents		
Number of actual worked hours		
Cost to the company		

6.11 FINANCIAL RESULTS

(EUR)

	Year ended March 31, 2022 riod	Year ended March 31, 2021
RECURRING FINANCIAL INCOME		
Other financial income		
Subsidies paid by public authorities, added to the profit and loss account		
Capital subsidies		
Interest subsidies		
Allocation of other financial income		
Exchange differences realized		
Other		
Exchange differences	**716.018,15**	535.792,46
RECURRING FINANCIAL CHARGES		
Depreciation of loan issue expenses		
Capitalized Interests		
Depreciation on current assets		
Recorded		
Written back		

(EUR)

	Year ended March 31, 2022 riod	Year ended March 31, 2021
Other financial charges		
Amount of the discount borne by the company, as a result of negotiating amounts receivable		
Provisions of a financial nature		
Appropriations		
Uses and write-backs		
Allocation of other financial charges		
Exchange differences realized		
Results from the conversion of foreign currencies		
Other		
Bank charges	**31.390,86**	29.926,87
Exchange differences	**478.989,90**	778.768,66

6.12 INCOME AND CHARGES OF EXCEPTIONAL SIZE OR FREQUENCY

(EUR)

	Year ended March 31, 2022 riod	Year ended March 31, 2021
Non-recurring operating income		
Write-back of depreciation and of amounts written off intangible and tangible fixed assets		
Write-back of provisions for extraordinary operating liabilities and charges		
Capital profits on disposal of intangible and tangible fixed assets		
Other non-recurring operating income		
Non-recurring financial income		
Write-back of amounts written down financial fixed assets		
Write-back of provisions for extraordinary financial liabilities and charges		
Capital profits on disposal of financial fixed assets		
Other non-recurring financial income		
NON-RECURRING CHARGES	**591,49**	
Non-recurring operating charges	**591,49**	
Non-recurring depreciation of and amounts written off formation expenses, intangible and tangible fixed assets		
Provisions for extraordinary operating liabilities and charges: appropriations (uses) (+)/(-)		
Capital losses on disposal of intangible and tangible fixed assets	**591,49**	
Other non-recurring operating charges		
Non-recurring operating charges carried to assets as restructuring costs		

(EUR)

	Year ended March 31, 2022 riod	Year ended March 31, 2021
Non-recurring financial charges		
Amounts written off financial fixed assets		
Provisions for extraordinary financial liabilities and charges - appropriations (uses) (+)/(-)		
Capital losses on disposal of financial fixed assets		
Other non-recurring financial charges		
Non-recurring financial charges carried to assets as restructuring costs		

6.13 TAXES

(EUR)

	Year ended March 31, 2022
INCOME TAXES	
Income taxes on the result of the period	**3.899.703,06**
Income taxes paid and withholding taxes due or paid	**5.912.850,00**
Excess of income tax prepayments and withholding taxes paid recorded under assets	**2.013.146,94**
Estimated additional taxes	
Income taxes on the result of prior periods	
Additional income taxes due or paid	
Additional income taxes estimated or provided for	
Major reasons for the differences between pre-tax profit, as it results from the annual accounts,	
Disallowed expenses	**769.070,57**
Other tax corrections	**228.635,70**

(EUR)

	Year ended March 31, 2022
Influence of non-recurring results on income taxes on the result of the period	

(EUR)

	Year ended March 31, 2022
Sources of deferred taxes	
Deferred taxes representing assets	
Accumulated tax losses deductible from future taxable profits	
Deferred taxes representing liabilities	
Allocation of deferred taxes representing liabilities	

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
VALUE-ADDED TAXES AND TAXES BORNE BY THIRD PARTIES		
Value-added taxes charged		
To the company (deductible)	**48.732.781,90**	42.817.002,85
By the company	**101.653.196,08**	96.378.601,08
Amounts withheld on behalf of third party by way of		
Payroll withholding taxes	**17.173.130,36**	16.299.279,15
Withholding taxes on investment income		

6.14 RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

(EUR)

	Year ended March 31, 2022
PERSONAL GUARANTEES PROVIDED OR IRREVOCABLY PROMISED BY THE COMPANY AS SECURITY FOR DEBTS AND COMMITMENTS OF THIRD PARTIES	
Of which	
Bills of exchange in circulation endorsed by the company	
Bills of exchange in circulation drawn or guaranteed by the company	
Maximum amount for which other debts or commitments of third parties are guaranteed by the company	
REAL GUARANTEES	
Real guarantees provided or irrevocably promised by the company on its own assets as security of debts and commitments of the company	
Mortgages of debts and commitments of the company	
Book value of the immovable properties mortgaged	
Amount of registration	
For irrevocable mortgage mandates, the amount for which the agent can take registration	
Pledging of goodwill	
Maximum amount up to which the debt is secured and which is the subject of registration	
For irrevocable mandates to pledge goodwill, the amount for which the agent can take the inscription	
Pledging of other assets or irrevocable mandates to pledge other assets	
Book value of the immovable properties mortgaged	
Maximum amount up to which the debt is secured	
Guarantees provided or irrevocably promised on future assets	

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(EUR)

	Year ended March 31, 2022
Amount of assets in question	
Maximum amount up to which the debt is secured	
Vendor's privilege	
Book value of sold goods	
Amount of the unpaid price	
Real guarantees provided or irrevocably promised by the company on its own assets as security of debts and commitments of third parties	
Mortgages	
Book value of the immovable properties mortgaged	
Amount of registration	
For irrevocable mortgage mandates, the amount for which the agent can take registration	
Pledging of goodwill	
Maximum amount up to which the debt is secured and which is the subject of registration	
For irrevocable mandates to pledge goodwill, the amount for which the agent can take the inscription	
Pledging of other assets or irrevocable mandates to pledge other assets	
Book value of the immovable properties mortgaged	
Maximum amount up to which the debt is secured	
Guarantees provided or irrevocably promised on future assets	
Amount of assets in question	
Maximum amount up to which the debt is secured	
Vendor's privilege	
Book value of sold goods	
Amount of the unpaid price	

(EUR)

	Year ended March 31, 2022
GOODS AND VALUES, NOT REFLECTED IN THE BALANCE SHEET, HELD BY THIRD PARTIES IN THEIR OWN NAME BUT FOR THE BENEFIT AND AT THE RISK OF THE COMPANY	
SUBSTANTIAL COMMITMENTS TO ACQUIRE FIXED ASSETS	
SUBSTANTIAL COMMITMENTS TO DISPOSE OF FIXED ASSETS	
FORWARD TRANSACTIONS	
Goods purchased (to be received)	
Goods sold (to be delivered)	
Currencies purchased (to be received)	
Currencies sold (to be delivered)	

(EUR)

	Year ended March 31, 2022
COMMITMENTS RELATING TO TECHNICAL GUARANTEES IN RESPECT OF SALES OR SERVICES	

(EUR)

	Year ended March 31, 2022
AMOUNT, NATURE AND FORM CONCERNING LITIGATION AND OTHER IMPORTANT COMMITMENTS	**1.300.000,00**

SETTLEMENT REGARDING THE COMPLEMENTARY RETIREMENT OR SURVIVORS' PENSION FOR PERSONNEL AND BOARD MEMBERS

Brief description

The companies foresee in an additional system of employee pension benefits plan, not in management, calculated on the basis of the number of years of service and the salary of the concerned person. This commitment is a group insurance of the type defined contribution.

Since the new regulations, this insurance type is subject to a minimum return guaranteed by the employer.

As at closing date, the minimum return is still covered by the insurance company.

Measures taken to cover the related charges

	Year ended March 31, 2022
PENSIONS FUNDED BY THE COMPANY ITSELF	
Estimated amount of the commitments resulting from past services	
Methods of estimation	
NATURE AND FINANCIAL IMPACT OF SIGNIFICANT EVENTS AFTER THE CLOSING DATE not reflected in the balance sheet or income statement	
COMMITMENTS TO PURCHASE OR SALE AVAILABLE TO THE COMPANY AS ISSUER OF OPTIONS FOR SALE OR PURCHASE	
NATURE, COMMERCIAL OBJECTIVE AND FINANCIAL CONSEQUENCES OF TRANSACTIONS NOT REFLECTED IN THE BALANCE SHEET	
If the risks and benefits resulting from such transactions are of any meaning and if publishing such risks and benefits is necessary to appreciate the financial situation of the company	
OTHER RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET (including those that cannot be calculated)	
Remaining liability rental agreement office space	**356.953,50**

6.15 RELATIONSHIPS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES AND OTHER COMPANIES LINKED BY PARTICIPATING INTERESTS

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
AFFILIATED COMPANIES		
Financial fixed assets	**1.000,00**	1.000,00
Participating interests	**1.000,00**	1.000,00
Subordinated amounts receivable below participating interests		
Other amounts receivable		
Amounts receivable	**9.270.843,00**	7.541.589,44
Over one year		
Within one year	**9.270.843,00**	7.541.589,44
Current investments		
Shares		
Amounts receivable		
Amounts payable	**21.661.295,59**	18.086.315,19
Over one year		
Within one year	**21.661.295,59**	18.086.315,19
Personal and real guarantees		
Provided or irrevocably promised by the company as security for debts or commitments of affiliated companies		
Provided or irrevocably promised by affiliated companies as security for debts or commitments of the company		
Other significant financial commitments		
Financial results		
Income from financial fixed assets		
Income from current assets		
Other financial income		
Debt charges		
Other financial charges		
Disposal of fixed assets		
Capital profits realised		
Capital losses realised		

6.16 RELATIONSHIPS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES AND OTHER COMPANIES LINKED BY PARTICIPATING INTERESTS

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
ASSOCIATED COMPANIES		
Financial fixed assets		
Participating interests		
Subordinated amounts receivable		
Other amounts receivable		
Amounts receivable		
Over one year		
Within one year		

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(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Amounts payable		
Over one year		
Within one year		
Personal and real guarantees		
Provided or irrevocably promised by the company as security for debts or commitments of affiliated companies		
Provided or irrevocably promised by affiliated companies as security for debts or commitments of the company		
Other significant financial commitments		
COMPANIES LINKED BY PARTICIPATING INTERESTS		
Financial fixed assets		
Participating interests		
Subordinated amounts receivable		
Other amounts receivable		
Amounts receivable		
Over one year		
Within one year		
Amounts payable		
Over one year		
Within one year		

RELATIONSHIPS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES AND OTHER COMPANIES LINKED BY PARTICIPATING INTERESTS

(EUR)

	Year ended March 31, 2022
TRANSACTIONS WITH AFFILIATED PARTIES BEYOND NORMAL MARKET CONDITIONS	
Mention of these transactions if they are significant, including the amount of the transactions, the nature of the link, and all information about the transactions that should be necessary to get a better understanding of the financial situation of the company	
Due to the lack of legal criteria allowing the inventory of related party transactions outside normal market conditions, no information could be included in statement C6.15	

6.16 FINANCIAL RELATIONSHIPS WITH

(EUR)

	Year ended March 31, 2022
DIRECTORS AND MANAGERS, INDIVIDUALS OR LEGAL PERSONS WHO CONTROL THE COMPANY DIRECTLY OR INDIRECTLY WITHOUT BEING ASSOCIATED THEREWITH, OR OTHER COMPANIES CONTROLLED DIRECTLY OR INDIRECTLY BY THESE PERSONS	
Amounts receivable from these persons	
Principal conditions regarding amounts receivable, rate of interest, duration, any amounts repaid, cancelled or written off	
Guarantees provided in their favour	
Other significant commitments undertaken in their favour	
Amount of direct and indirect remunerations and pensions, reflected in the income statement, as long as this disclosure does not concern exclusively or mainly, the situation of a single identifiable person	
To directors and managers	
To former directors and former managers	

THE AUDITOR(S) AND THE PERSONS WHOM HE (THEY) IS (ARE) COLLABORATING WITH	Year ended March 31, 2022 (EUR)
Auditors' fees	**27.000,00**
Fees for exceptional services or special assignments executed within the company by the auditor	
Other audit assignments	
Tax consultancy assignments	
Other assignments beyond the audit	
Fees for exceptional services or special assignments executed within the company by people they are linked to	
Other audit assignments	
Tax consultancy assignments	
Other assignments beyond the audit	

Mentions related to article 3:64, § 2 and § 4 of the Belgian Companies and Associations Code

The audit committee, decides in accordance with article 133 § 6, 1° of the Companies Code, to depart from the limitations imposed on the auditor and on persons with whom he has concluded an employment contract or with whom he is aligned vis-à-vis a professional relationship or the companies or persons aligned to the auditor as stipulated in article 11 of the Companies Code, regarding the remuneration allowed for non-audit services.

6.18.1 DECLARATION WITH REGARD TO THE CONSOLIDATED ANNUAL ACCOUNTS

INFORMATION TO DISCLOSE BY EACH COMPANY GOVERNED BY THE BELGIAN COMPANIES AND ASSOCIATIONS CODE ON THE CONSOLIDATED ANNUAL ACCOUNTS

~~The company has prepared and published consolidated annual accounts and a consolidated annual report*~~

The company has not prepared consolidated annual accounts and a consolidated annual report, because of an exemption for the following reason(s)*

The company and its subsidiaries exceed, on a consolidated basis, not more than one of the criteria mentioned in article 1:26 of the Belgian Companies and Associations Code*

The company only has subsidiaries that, considering the evaluation of the consolidated capital, the consolidated financial position or the consolidated result, individually or together, are of negligible interest Error! Bookmark not defined. (article 3:23 of the Belgian Companies and Associations Code)

The company itself is a subsidiary of a parent company that prepares and publishes consolidated annual accounts, in which the annual accounts are integrated by consolidation*

INFORMATION TO BE PROVIDED BY THE COMPANY IN CASE IT IS A SUBSIDIARY OR A JOINT SUBSIDIARY

Name, full address of the registered office and, if it concerns companies under Belgian law, the company registration number of the parent company(ies) and the indication if this (these) parent company(ies) prepares (prepare) and publishes (publish) consolidated annual accounts, in which the annual accounts are included by means of consolidation**.

Tata Consultancy Services Ltd

9th Floor Nirmal Building, Nariman Point

400 021 MUMBAI, India

The enterprise draws up consolidated annual accounts data for the major part of the enterprise

If the parent company(ies) is (are) (a) company(ies) governed by foreign law, the location where the above mentioned annual accounts are available**.

Tata Consultancy Serivces Ltd

9th Floor Nirmal Building, Nariman Point

400 021 MUMBAI, India

*	Strike out what does not apply.

**	Where the annual accounts of the company are consolidated at different levels, the information should be given, on the one hand at the highest and on the other at the lowest level of companies of which the company is a subsidiary and for which consolidated accounts are prepared and published.

6.19 VALUATION RULES

1. Principle

The valuation rules are determined according to the provisions of the Royal Decree of 29 april 2019 in implementation of the Belgian Companies and Associations Code.

In respect of the requirement of a true and fair view the valuation rules of this Decree shall be deviated from in the following exceptional cases:

Reasons for the deviation:

The effects of the deviation on assets and liabilities, financial position and the result before taxation of the company are as follows:

The valuation rules are (~~changed~~) (not changed) in wording and application as compared to the preceding financial period; if so, the change related to:

and has a (positive) (negative) effect on the result for the financial period before taxation to the amount of EUR.

The income statement (~~is~~) (is not) significantly effected by income or charges relating to a previous financial period; if so, the material effect results from:

The figures of the financial period are not comparable with those of the preceding financial period for the following reason:

(In order to maintain comparability the figures of the preceding financial period are adjusted regarding to following reasons) (To compare the annual accounts of both financial periods involved following information should be taken into account):

In absence of objective standards of appraisal following valuation of foreseeable liabilities, contingent losses and diminuations in value is inevitably uncertain:

Other information necessary to give a true and fair view of the company's liabilities, financial position and result:

1) Revenue recognition

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

The company recognises revenue as follows:

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

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

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

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

2) Presentation of costs related to seconded employees from TCSL

Account Code 62 includes remuneration, social security costs and pensions incurred towards local Belgian employees (185.9 FTE in 2022 en 155.3 FTE in 2021).. Costs incurred towards the seconded employees of TCS Limited (TCSL), (2022:34.055.158,05 EUR; 2021:38.681.035,07 EUR) the parent company of TCS Belgium have also been accounted under this classification. The employees of TCSL (703 FTE in 2022 and 756 FTE in 2021) are not employees of TCS Belgium as they remain bound by the employment contract with TCSL and seconded to TCS Belgium. Account Code 62 reflects the aggregate of all such costs, including the cost of the seconded employees as management believes that this better reflects the substance of the arrangement for the deputation of the personnel and consequently provides a true and fair view

2. Fixed assets

Formation expenses:

Formation expenses are charged against income except for following costs capitalised:

Reorganization costs:

The reorganization costs are (~~capitalised~~) (not capitalised) during the financial period; if so, this is justified as follows:

Intangible fixed assets:

The amount of intangible assets includes - EUR research and development costs. Depreciation of these costs and the depreciations for goodwill are charged over a period of (more than) (not more than) 5 years; if more than 5 years the period involved is justified as follows :

Tangible fixed assets:

During the financial period the tangible assets ~~(are)~~ (are not) revalued; if so, the revaluation if justified are as follows:

VALUATION RULES

Depreciation recorded during the financial period:

Assets	Method S (straightline) R (reducing balance) O (other)	Basis NR (non-revalued) R (revalued)	Depreciation rate Principal costs Min. - Max.	Depreciation rate Ancillary costs Min. - Max.
1. Formation expenses				
2. Intangible fixed assets				
Software	**S**	**NR**	**20,00 - 20,00**	**20,00 - 20,00**
3. Buildings*				
4. Plant, machinery and equipments*				
5. Vehicles*				
Company cars	**S**	**NR**	**25,00 - 25,00**	**25,00 - 25,00**
6. Office furniture *				
Office equipment	**S**	**NR**	**10,00 - 20,00**	**10,00 - 20,00**
7. Other tangible fixed assets				
Fitting-out expenses rented prop	**S**	**NR**	**10,00 - 21,05**	**10,00 - 21,05**

* Including leased assets which should be disclosed on a separate line

Tax deductible accelerated depreciation in excess of depreciation based on economic circumstances:

- amount for the financial period: EUR.
- cumulative amount regarding tangible assets acquired as of the financial period beginning after December 31, 1983: EUR.

Financial fixed assets:

During the financial period investments ~~(are)~~ (are not) revalued; if so, the revaluation is justified as follows:

3. Current assets

Inventories:

Inventories are valued at **acquisition cost** determined according to the method (to be disclosed) of the weighted average price method, FIFO, LIFO, by identifying individually the price of each element or by the **lower market value**

1. Raw materials and consumables:
2. Work in progress - finished goods:

3. Goods purchased for resale:
4. Immovable property intended for sale:

Products:

- Production costs (include) (do not include) costs that are only indirectly attributable to the product.
- Production costs of stock and work in progress the production of which exceeds more than one year (includes) (does not include) on capital borrowed to finance the production.

Stocks total valued at market value amount to % of its book value at the end of the financial period.

(This information is only required in the event of a substantial difference).

Contracts in progress:

Contracts in progress are valued ~~(at production cost)~~

(at production cost increased by a portion of the profit according to the state of completion of the contract)

4. Liabilities

Debts:

Liabilities ~~(include)~~ (do not include) long-term debts, bearing no interests or at an unusual low interest; if so, a discount (has) (has not) been recognised and capitalised.

Foreign currencies:

Debts, liabilities and commitments denominated in foreign currencies are translated in EUR using following criteria: Exchange rate as per closing date

Exchange differences have been disclosed in the annual accounts as follows: All exchange differences are taken into P&L

Leasing agreements:

Concerning the rights to use property not capitalised (relating to immovable property and concluded before 1 January 1980), consideration and rental relating to the financial period if the leased immovable property, amount to: EUR.

6.20 OTHER INFORMATIONS TO DISCLOSE

COVID 19 is a global pandemic which has given rise to an unprecedented economic scenario having future impact on the businesses across the world. The aspects evaluated by the company in the current situation are:

The Company believes that it has the financial strength, a portfolio of technology and business solutions which are even more relevant in partnering with its diversified base of customers to make them realize their goals.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price projects and incorporated the impact of likely delays/increased cost in meetings its obligations, revision of Service Level Agreements etc.

The company is regularly monitoring its trade receivables with close attention to the customers who might be undergoing financial stress.

The Company is debt-free and has bank balances of EUR 4.053.010,64 as at March, 31 2022. These balances are unencumbered and are at the free disposal of the Company. The aforesaid balances constitute 4,22% of total assets (EUR 95.971.063,98) and 8,05% of the equity (EUR 50.370.265,63) and thus assures liquidity for the Company.

The Company does not foresee any large-scale contraction in demand which could result in significant employee down-sizing, rendering the physical infrastructure redundant. Accordingly, no changes are anticipated in the long term leases of its office premises.

Further to the COVID pandemic discussed above, the company does not have any impact due to the war in Ukraine or due to sanctions on Russia and Belarus as the company neither has any customers nor any dependencies on Russia, Ukraine and Belarus.

SOCIAL BALANCE SHEET

Numbers of the joint industrial committees competent for the company: 200 218

STATEMENT OF THE PERSONS EMPLOYED

EMPLOYEES FOR WHOM THE COMPANY SUBMITTED A DIMONA DECLARATION OR WHO ARE RECORDED IN THE GENERAL PERSONNEL REGISTER

During the period	Total	1. Men	2. Women
Average number of employees			
Full-time	160,9	131,6	29,3
Part-time	2,1		2,1
Total in full-time equivalents (FTE)	162,3	131,6	30,7
Number of actual hours worked			
Full-time	284.508	234.276	50.232
Part-time	2.097		2.097
Total	286.605	234.276	52.329
Personnel costs			
Full-time			
Part-time			
Total	59.520.520,59	50.319.457,28	9.201.063,31
Benefits in addition to wages			

During the preceding period	P. Total	1P. Men	2P. Women
Average number of employees in FTE	138,5	112,6	25,9
Number of actual hours worked	247.088	205.500	41.588
Personnel costs	59.883.292,20	50.571.609,20	9.311.683,00
Benefits in addition to wages	113.137,00	84.721,00	28.416,00

At the closing date of the period	Full-time	Part-time	Total in full-time equivalents
Number of employees	185	2	185,9
By nature of the employment contract			
Contract for an indefinite period	184	2	184,9
Contract for a definite period	1		1,0
Contract for the execution of a specifically assigned work			
Replacement contract			
According to gender and study level			
Men	153		153,0
primary education	130		130,0
secondary education			
higher non-university education	12		12,0
university education	11		11,0
Women	32	2	32,9
primary education	24	1	24,1
secondary education			
higher non-university education	2		2,0
university education	6	1	6,8

At the closing date of the period	Full-time	Part-time	Total in full-time equivalents
By professional category			
Management staff			
Salaried employees	185	2	185,9
Hourly employees			
Others			

HIRED TEMPORARY STAFF AND PERSONNEL PLACED AT THE DISPOSAL OF THE COMPANY

During the period	1. Hired temporary staff	2. Persons placed at the company's disposal
Average number of persons employed		
Number of hours actually worked		
Costs for the company		

LIST OF PERSONNEL MOVEMENTS DURING THE PERIOD

ENTRIES

	1. Full-time	2. Part-time	3. Total full-time equivalents
Number of employees for whom the company submitted a DIMONA declaration or who have been recorded in the general personnel register during the period	83	1	83,1
By nature of employment contract			
Contract for an indefinite period	81	1	81,1
Contract for a definite period	2		2,0
Contract for the execution of a specifically assigned work			
Replacement contract			

DEPARTURES

	1. Full-time	2. Part-time	3. Total in full-time equivalents
Number of employees whose contract-termination date has been included in the DIMONA declaration or in the general personnel register during the period	51	2	52,7
By nature of employment contract			
Contract for an indefinite period	50	2	51,7
Contract for a definite period	1		1,0
Contract for the execution of a specifically assigned work			
Replacement contract			
By reason of termination of contract			
Retirement			

	1. Full-time	2. Part-time	3. Total in full-time equivalents
Unemployment with extra allowance from company			
Dismissal			
Other reason	**51**	**2**	**52,7**
Of which the number of persons who continue to render services to the company at least half-time on a self-employed basis			

INFORMATION ON TRAINING PROVIDED TO EMPLOYEES DURING THE PERIOD

Total of initiatives of formal professional training at the expense of the employer	Men	Women
Number of employees involved		
Number of actual training hours		
Net costs for the company		
of which gross costs directly linked to training		
of which fees paid and payments to collective funds		
of which grants and other financial advantages received (to deduct)..		
Total of initiatives of less formal or informal professional training at the expense of the employer		
Number of employees involved		
Number of actual training hours		
Net costs for the company		
Total of initiatives of initial professional training at the expense of the employer		
Number of employees involved		
Number of actual training hours		
Net costs for the company		

Tata Consultancy Services Deutschland GmbH

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended March 31, 2022

The English language text below is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original.

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
TATA CONSULTANCY SERVICES DEUTSCHLAND GMBH

SPECIAL PURPOSE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying special purpose financial statements of Tata Consultancy Services Deutschland GmbH ('the Company'), which comprise the statement of financial position as of 31st March 2022, and the related statement of profit or loss and other comprehensive income, changes in equity, and cash flow for the year then ended, and the related notes to the special purpose financial statements. The special purpose financial statements have been prepared by the management as described in Note 2 to the Special Purpose financial statements in accordance with the International Financial Reporting Standards (IFRS).

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31st March 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) generally accepted in India. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special purpose financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose financial statements under the provisions of the Act and the Rules there under and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Management's Responsibility for special purpose Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these Special purpose financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity cash flows of the Company in accordance with the International Financial Reporting Standards. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

In preparing these Special purpose financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue going concern.

- Evaluate the overall presentation, structure statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

Comparative figures for the financial year ended 31st March 2021 have been taken as per Financial Statements considered by the management for the purpose of Audit of IFRS Consolidated Financial Statements of holding company; TATA Consultancy Services Limited (TCSL); year ended 31st March 2021.

Restriction on Distribution and Use

Audit of this special purpose financial statements, in accordance with International Financial Reporting Standards of the Company for the year ended 31st March 2022 have been prepared for the limited purpose of consolidated financial statements, to comply with the Section 129(3) of the Companies Act 2013, of TCSL for the year ended 31st March 2022. Our report is strictly intended solely for the information and use by TCSL for the preparation of consolidated financial statements and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

For K B J & ASSOCIATES
(Chartered Accountants)
(ICAI Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(ICAI Membership No.48889)

Place : Mumbai
Date : 16th May 2022

Statements of financial position
As at March 31, 2022 and March 31, 2021

(EUR)

	Note	March 31, 2022	March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	**9,529,613**	25,858,607
Trade receivables		**-**	-
Billed	7(b)	**132,320,344**	111,441,363
Unbilled		**19,152,590**	11,278,219
Other financial assets	7(c)	**3,992,887**	4,547,906
Other assets	9(c)	**24,715,688**	24,523,060
Total current assets		**189,711,122**	177,649,155
Non-current assets			
Other financial assets	7(c)	**453,210**	465,506
Income tax assets (net)		**-**	6,773,099
Property, plant and equipment	9(a)	**11,575,198**	15,818,303
Right-of-use assets	8	**6,338,608**	5,938,473
Other intangible assets	9(b)	**580,550**	5 34,034
Other assets	9(c)	**1,866,127**	2,837,563
Total non-current assets		**20,813,693**	32,366,978
TOTAL ASSETS		**210,524,815**	210,016,133
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Lease liabilities		**1,601,832**	1 ,177,739
Trade payables	7(e)	**75,139,697**	4 4,209,394
Other financial liabilities	7(d)	**13,202,421**	16,079,943
Unearned and deferred revenue	10	**20,384,185**	4 4,108,024
Other liabilities	9(d)	**2,356,718**	1 ,761,260
Provisions	9(e)	**59,498**	635,995
Employee benefit obligations	14	**2,614,989**	3 ,016,908
Income tax liabilities (net)		**4,849,946**	-
Total current liabilities		**120,209,286**	110,989,263
Non - Current Liability			
Lease liabilities		**5,329,654**	5,049,654
Other financial liabilities	7(d)	**23,248**	2 2,938
Employee benefit obligations	14	**4,546,520**	5,895,367

Deferred tax liabilities (net)		**5,549,930**	7,745,487
Total Non-current liability		**15,449,352**	18,713,446
TOTAL LIABILITIES		**135,658,638**	129,702,709
Equity			
Share capital	7(i)	**150,000**	150,000
Retained earnings		**74,697,416**	80,144,663
Share premium		**18,761**	18,761
Total equity		**74,866,177**	80,313,424
TOTAL LIABILITIES AND EQUITY		**210,524,815**	210,016,133

See accompanying notes forming part of the financial statements.

As per our report of even date attached

For KBJ & ASSOCIATES
Chartered Accountants
Firm's registration no: 114934W

Kaushik B. Joshi
Proprietor
Membership No.48889

Mumbai, May 16, 2022

For and on behalf of the Board

Lakshminarayanan Gomatam Seshadri
Managing Director

S. Chapalapalli
Managing Director

Statement of Profit or Loss and Other Comprehensive Income
For the years ended March 31, 2022 and March 31, 2021

(EUR)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	10	**713,838,062**	637,155,236
Operating expenses			
Employee benefit expenses	14	**136,326,817**	148,803,494
Depreciation and amortisation expenses	9(a) & 9(b)	**7,943,873**	8,539,620
Right of use assets depreciation	8	**1,797,005**	1,240,063
Other operating expenses		**512,066,508**	440,530,924
Total operating expenses	11	**658,134,203**	599,114,101
Operating profit		**55,703,859**	38,041,135
Other income / (expense)			
Finance and other income	12(a)	**-**	1,113
Finance costs	12(b)	**(337,010)**	(431,942)
Other non-operating income / (loss), net	12(c)	**335,245**	(243,877)
Profit before taxes		**55,702,094**	37,366,429
Income tax expense	13	**(17,178,707)**	(12,488,428)
Profit for the year		**38,523,387**	24,878,001
Remeasurement of defined employee benefit plans		**1,029,366**	(1,202,187)
Total comprehensive income for the year		**39,552,753**	23,675,814

See accompanying notes forming part of the financial statements.

As per our report of even date attached

For KBJ & ASSOCIATES
Chartered Accountants
Firm's registration no: 114934W

Kaushik B. Joshi
Proprietor
Membership No.48889

Mumbai, May 16, 2022

For and on behalf of the Board

Lakshminarayanan Gomatam Seshadri
Managing Director

S. Chapalapalli
Managing Director

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Statement of Changes in Equity
For the years ended March 31, 2022 and March 31, 2021

(EUR)

	Share capital	Share premium	Retained earnings	Total equity
Balance as at April 1, 2020	150,000	18,761	56,468,849	56,637,610
Profit for the year	-	-	24,878,001	24,878,001
Other comprehensive income for the year	-	-	(1,202,187)	(1,202,187)
Balance as at March 31, 2021	150,000	18,761	80,144,663	80,313,424
Profit for the year	-	-	38,523,387	38,523,387
Other comprehensive income for the year	-	-	1,029,366	1,029,366
Dividend	-	-	(45,000,000)	(45,000,000)
Balance as at March 31, 2022	**150,000**	**18,761**	**74,697,416**	**74,866,177**

See accompanying notes forming part of the financial statements.

As per our report of even date attached

For KBJ & ASSOCIATES
Chartered Accountants
Firm's registration no: 114934W

Kaushik B. Joshi
Proprietor
Membership No.48889

Mumbai, May 16, 2022

For and on behalf of the Board

Lakshminarayanan Gomatam Seshadri
Managing Director

S. Chapalapalli
Managing Director

Statement of Cash Flows
For the years ended March 31, 2022 and March 31, 2021

(EUR)

	Note	March 31, 2022	March 31, 2021
Cash flows from operating activities			
Profit for the year		**38,523,387**	24,878,001
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Income tax expense	13	**17,178,707**	12,488,428
Depreciation and amortisation expenses	9(a) & 9(b)	**7,943,873**	8,539,620
Right of use assets depreciation	8	**1,797,005**	1,240,063
Finance cost	12(b)	**95,157**	83,161
Net loss/(gain) on disposal of property, plant and equipment	12(c)	**404**	(1,206)
Provision of allowance for doubtful trade receivables (net)	7(b)	**(51,329)**	6,345
Net change in working capital			
Trade receivables		**(20,827,652)**	(4,851,505)
Unbilled revenues		**(7,874,371)**	18,602,054
Other financial assets		**567,314**	(285,813)
Other assets		**778,808**	(4,046,048)
Trade and other payables		**30,930,303**	(52,934,171)
Unearned and deferred revenues		**(23,723,839)**	8,341,361
Other financial liabilities		**(2,877,211)**	(2,560,382)
Other liabilities		**595,457**	(9,848,660)
Provisions		**(576,496)**	611,981
Employee benefit obligations		**(244,964)**	208,960
Cash generated from operating activities		**42,234,553**	472,189
Income taxes paid		**(8,227,656)**	(22,609,537)
Net cash generated from / (used in) operating activities		**34,006,897**	(22,137,348)
Cash flows from investing activities			
Payment for purchase of property, plant and equipment (includes CWIP)	9(a)	**(3,500,291)**	(4,549,372)
Proceeds from disposal of property, plant and equipment	9(a)	**87,897**	31,433
Payment for purchase of intangible assets	9(b)	**(335,293)**	(330,695)
Net cash used in investing activities		**(3,747,687)**	(4,848,634)

Cash flows from financing activities			
Repayment of lease liabilities		**(1,588,204)**	(1,331,472)
Payment of dividend		**(45,000,000)**	-
Net cash used in financing activities		**(46,588,204)**	(1,331,472)
Net change in cash and cash equivalents		**(16,328,994)**	(28,317,454)
Cash and cash equivalents, beginning of the year		**25,858,607**	54,176,061
Cash and cash equivalents, end of the year	7(a)	**9,529,613**	25,858,607

See accompanying notes forming part of the financial statements.

As per our report of even date attached

For KBJ & ASSOCIATES
Chartered Accountants
Firm's registration no: 114934W

Kaushik B. Joshi
Proprietor
Membership No.48889

Mumbai, May 16, 2022

For and on behalf of the Board

Lakshminarayanan Gomatam Seshadri
Managing Director

S. Chapalapalli
Managing Director

Notes forming part of the Financial Statements

1. Corporate Information

Tata Consultancy Services Deutschland GmbH (the "Company") is a Company limited by shares, incorporated and domiciled in Germany.

The main business of the company is to provides services in the areas of management consulting and software development. The registered office address is Tata Consultancy Services Deutschland GmbH, Messeturm, 60308 Frankfurt am Main, Germany. As at March 31, 2022, Tata Consultancy Services Limited is the parent entity holding 100% of shares of the company.

The financial statements of the company have been drawn up as a special purpose financial statements for the distribution to the shareholder.

2. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the international accounting standard board ("IASB"). This special purpose financial statements have been prepared for inclusion of Tata Consultancy Services Limited (Intermediate Holding Company) under the requirement of Section 129(3) of the Companies Act, 2013 ('the Act'). The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented in these financial statements.

3. Basis of preparation

The financial statements have been prepared on historical cost basis 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 or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and presentation currency of the Company is EURO. Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency using exchange rates prevailing on the date of statement of financial position. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are included in profit or loss. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. Use of estimates and judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment

The Company reviews the carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. 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.

d. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

f. Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

g. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. Nature and purpose of reserves

a. Retained earnings

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

b. Share premium

Share premium is used to record the premium on issue of shares.

6. Recent Accounting Standards

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

Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies [1]
Amendments to IAS 8	Definition of Accounting Estimates [1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction [1]

[1]Effective for annual periods beginning on or after January 1, 2023.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductble temporary differences. The Company will evaluate the impact, if any, in its financial statements.

7. Financial assets, financial liabilities and equity instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a) Cash and cash equivalents

(EUR)

	As at March 31, 2022	As at March 31, 2021
Cash at banks and in hand	**9,529,613**	25,858,607
Total	**9,529,613**	25,858,607

b) Trade receivables - Billed

(EUR)

Trade receivables Unbilled current	As at March 31, 2022	As at March 31, 2021
Trade receivables - Billed*	**132,404,109**	111,576,457
Less: Allowance for doubtful trade receivables - Billed	**(83,765)**	(135,094)
Total	**132,320,344**	111,441,363

Movement in the allowance for doubtful trade receivables

(EUR)

	As at March 31, 2022	As at March 31, 2021
At April 1,	**135,094**	128,748
Add: Charge to profit and Loss account	**-**	3,189,869
Less: Bad debts written off	**(47,764)**	-
Less: Provision written back	**(3,565)**	(3,183,523)
At March 31,	**83,765**	135,094

c) Other Financial Assets

(EUR)

Other financial assets - Current	As at March 31, 2022	As at March 31, 2021
Employee advances, net of allowances	**1,419,082**	715,746
Premises security deposit	**136,236**	136,236
Volume discount receivable	**2,437,569**	3,695,924
Total	**3,992,887**	4,547,906

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(EUR)

Other financial assets - Non-current	As at March 31, 2022	As at March 31, 2021
Premises security deposit	**145,939**	158,235
Restricted cash*	**307,271**	307,271
Total	**453,210**	465,506

* Restricted cash pertains to deposit in commerze bank against bank guarantee.

d) Other financial liabilities

(EUR)

Other financial liabilities - current	As at March 31, 2022	As at March 31, 2021
Accrued payroll	**8,434,067**	7,868,709
Volume discount - current	**4,721,938**	7,580,957
Capital creditors - current	**46,416**	630,277
Total	**13,202,421**	16,079,943

(EUR)

Other financial liabilities - Non Current	As at March 31, 2022	As at March 31, 2021
Decommissioning liabilities	**23,248**	22,938
Total	**23,248**	22,938

e) Trade payables

(EUR)

	As at March 31, 2022	As at March 31, 2021
Trade Payables	**31,468,329**	11,194,319
Accrued expenses	**43,671,368**	33,015,075
Total	**75,139,697**	44,209,394

f) Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

(EUR)

Assets:	Amortised cost	Total carrying value
Cash and cash equivalents	**9,529,613**	**9,529,613**
Trade receivables		
Billed	**132,320,344**	**132,320,344**
Unbilled	**19,152,590**	**19,152,590**
Other financial assets	**4,446,098**	**4,446,098**
Total Assets	**165,448,645**	**1 65,448,645**

Liabilities:		
Trade payables	**75,139,697**	**75,139,697**
Lease liabilities	**6,931,486**	**6,931,486**
Other financial liabilities	**13,225,669**	**13,225,669**
Total Liabilities	**95,296,852**	**95,296,852**

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(EUR)

	Amortised cost	Total carrying value
Assets:		
Cash and cash equivalents	**25,858,607**	**25,858,607**
Trade receivables		
Billed	**111,441,363**	**111,441,363**
Unbilled	**11,278,219**	**11,278,219**
Other financial assets	**5,013,412**	**5,013,412**
Total Assets	**153,591,601**	**153,591,601**
Liabilities:		
Trade payables	**44,209,394**	**44,209,394**
Lease liabilities	**6,227,393**	**6,227,393**
Other financial liabilities	**16,102,880**	**16,102,880**
Total Liabilities	**66,539,667**	**66,539,667**

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at March 31, 2022 and 2021, approximate the fair value due to their nature. Carrying amounts of 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.

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.

h. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rate may have potential impact on the statement of financial statement, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than functional currency of the company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The following table sets forth information relating to foreign currency exposure as at March 31, 2022:

(EUR)

	USD	CHF	Others
Net Financial assets	12,797,053	713,929	409,303
Net Financial liabilities	2,102,781	550,026	285,345

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Company would result in increase / decrease in the Company's profit before taxes by approximately EUR 1,098,213 for the year ended March 31, 2022.

The following table sets forth information relating to foreign currency exposure as at March 31, 2021:

(EUR)

	USD	CHF	Others
Net Financial assets	5,456,605	626,649	112,284
Net Financial liabilities	2,425,373	879,788	238,486

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Company would result in increase / decrease in the Company's profit before taxes by approximately EUR 265,189 for the year ended March 31, 2021.

- **Interest rate risk**

Interest rate risk is the risk of changes in market interest rates affecting the overall return of the Company. The Company not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was EUR 179,483,179 and EUR 159,819,444 as of March 31, 2022 and March 31, 2021, respectively being the total of the carrying amount of balance with bank, trade receivables, unbilled receivables, contract assets and other financial assets. Balance with bank is placed with a bank with high credit ratings. As of March 31, 2022, there were no indications that any defaults will occur on trade receivables, unbilled receivables, contract assets or other financial assets.

The Company's exposure to customers is diversified and single customer's contribution to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at March 31, 2022 and March 31, 2021 was as below:

(EUR)

Client Name	As at March 31, 2022		As at March 31, 2021	
	Total trade receivables and unbilled revenue	Percentage	Total trade receivables and unbilled revenue	Percentage
Customer A	22,507,061	13.60%	14,779,466	11.46%
Customer B	18,200,975	11.00%	-	0.00%

- **Geographic concentration of credit risk**

Geographic concentration of trade receivables (net of allowances), unbilled receivables and contract assets is as follows:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Europe	92.83%	92.72%
Others	7.17%	7.28%

Geographical concentration of trade receivables and unbilled receivables and contract assets is allocated based on the location of the customers.

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. The expected credit loss allowance is based on the ageing of the days the receivables are due and are as follows:

Amount in EUR (Mn)

March 31, 2022	Weighted average loss rate	Gross carrying amount*	Loss allowance #	Credit impaired
Not Due	0.00%	104.16	-	No
1-90	0.00%	9.04	-	No
91-180	0.00%	-	-	No
181-272	0.00%	-	-	No
>273	100.00%	-	-	Yes

*Gross carrying amount excludes inter-company receivables

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(EUR)

March 31, 2022	Due in 1st year	Due in 2nd to 5th year	Total
Non derivative financial liabilities			
Trade payables	75,139,697	-	75,139,697
Lease liabilities	1,690,212	5,463,353	7,153,565
Other financial liabilities	13,202,421	23,248	13,225,669
Total	90,032,330	5 ,486,601	95,518,931

(EUR)

March 31, 2021	Due in 1st year	Due in 2nd to 5th year	Total
Non derivative financial liabilities			
Trade payables	44,209,394	-	44,209,394
Lease liabilities	1,251,114	5,214,102	6,465,216
Other financial liabilities	16,079,943	22,938	16,102,881
Total	61,540,451	5 ,237,040	66,777,491

i) Equity instruments

(EUR)

Issued, Subscribed and Fully paid up	As at March 31, 2022	As at March 31, 2021
Ordinary shares	**150,000**	150,000
Total	**150,000**	150,000

Share holding	Percentage	Percentage
Tata Consultancy Services Limited	**100%**	100%

Capital management

The Company's objective for capital management is to maximize 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 product 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.

8. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the

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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 assets 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 assets 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and 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 Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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.

The details of the right-of-use asset held by the Company is as

(EUR)

	Additions for the year ended March 31, 2022	Net carrying amount as at March 31, 2022
Leasehold building	**1,890,773**	**5,861,654**
Automobiles	**306,368**	**476,954**
Total	**2,197,141**	**6,338,608**

(EUR)

	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Leasehold building	4,459,965	5,581,609
Automobiles	326,015	356,864
Total	4,785,980	5,938,473

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

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Leasehold building	**1,610,727**	1,079,373
Automobiles	**186,278**	160,690
Total	**1,797,005**	1,240,063

Interest on lease liabilities is EUR 95,157 and EUR 83,161 for the year ended on March 31, 2022 and March 31, 2021, respectively.[Refer Note 12(b)]

The Company incurred EUR 888,641 and EUR 1,491,826 for the year ended March 31, 2022 and 2021, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is EUR 2,476,845 and EUR 2,823,298 for the year ended March 31, 2022, and 2021, respectively, including cash outflow for short-term leases and leases of low-value assets.

The Company does not have lease term extension options that are not reflected in the measurement of lease liabilities.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

9. Non-financial assets and 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 values 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	Method	Useful life (in years)
Leasehold improvements	Straight Line Method	Lease term
Computer equipment	Straight Line Method	4 years
Furniture, fixtures, office equipment and other assets	Straight Line Method	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.

Property, Plant and equipment consist of the following:

(EUR)

	Leasehold improve-ments	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Total
Cost as at April 1, 2021	**896,351**	**36,217,785**	**1,149,802**	**649,102**	**394,050**	**39,307,090**
Additions	**-**	**3,525,207**	**-**	**55,960**	**8,437**	**3,589,604**
Disposals	**-**	**(592,762)**	**-**	**(18,472)**	**-**	**(611,234)**
Cost as at March 31, 2022	**896,351**	**39,150,230**	**1,149,802**	**686,590**	**402,487**	**42,285,460**
Accumulated deprecia-tion as at April 1, 2021	**721,437**	**21,129,461**	**1,045,666**	**568,464**	**138,869**	**23,603,897**
Depreciation for the year	**4 1,309**	**7,503,902**	**39,738**	**32,370**	**37,777**	**7,655,096**
Disposals	**-**	**(522,933)**	**-**	**-**	**-**	**(522,933)**
Accumulated deprecia-tion as at March 31, 2022	**762,746**	**28,110,430**	**1,085,404**	**600,834**	**176,646**	**30,736,060**
Net carrying amount as at March 31, 2022	**133,605**	**11,039,800**	**64,398**	**85,756**	**225,841**	**11,549,400**
Capital work-in-progress						**25,798**
Total						**11,575,198**

(EUR)

	Leasehold improve-ments	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Total
Cost as at April 1, 2020	896,351	29,333,796	1,045,937	575,787	378,850	32,230,721
Additions	-	6,915,422	103,865	73,315	15,200	7,107,802
Disposals	-	(31,433)	-	-	-	(31,433)
Cost as at March 31, 2021	896,351	36,217,785	1,149,802	649,102	394,050	39,307,090
Accumulated deprecia-tion as at April 1, 2020	677,562	12,930,759	998,086	534,604	102,058	15,243,069
Depreciation for the year	43,875	8,199,908	47,580	33,860	36,811	8,362,034
Disposals	-	(1,206)	-	-	-	(1,206)
Accumulated deprecia-tion as at March 31, 2021	721,437	21,129,461	1,045,666	568,464	138,869	23,603,897
Net carrying amount as at March 31, 2021	174,914	15,088,324	104,136	80,638	255,181	15,703,193
Capital work-in-progress						115,110
Total						15,818,303

b. 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:

(EUR)

	Software licences	Total
Cost as at April 1, 2021	**861,951**	**861,951**
Additions	**335,293**	**335,293**
Cost as at March 31, 2022	**1,197,244**	**1,197,244**
Accumulated amortisation as on April 1, 2021	**327,917**	**327,917**
Amortisation for the year	**288,777**	**288,777**
Accumulated amortisation as on March 31, 2022	**616,694**	**616,694**
Net carrying amount as at March 31, 2022	**580,550**	**580,550**

(EUR)

	Software licences	Total
Cost as at April 1, 2020	531,256	531,256
Additions	330,695	330,695
Cost as at March 31, 2021	861,951	861,951
Accumulated amortisation as on April 1, 2020	150,331	150,331
Amortisation for the year	177,586	177,586
Accumulated amortisation as on March 31, 2021	327,917	327,917
Net carrying amount as at March 31, 2021	534,034	534,034

c) Other assets

Other assets consist of the following:

(EUR)

Other assets - Current	As at March 31, 2022	As at March 31, 2021
Advance to suppliers	**15,915**	3,533
Contract assets (Refer Note 10)	**13,999,714**	6,172,736
Prepaid expenses	**6,365,504**	15,994,568
Prepaid rent	**48,634**	25,733
Contract fulfillment costs	**4,246,302**	2,295,010
Others	**39,619**	31,480
Total	**24,715,688**	24,523,060

(EUR)

Other assets - Non-current	As at March 31, 2022	As at March 31, 2021
Contract assets	**34,820**	55,107
Prepaid expenses	**1,338,282**	1,998,227
Contract fulfillment costs	**493,025**	784,229
Total	**1,866,127**	2,837,563

Contract fulfillment costs of EUR 2,676,816 and EUR 2,137,915 for the years ended March 31, 2022 and 2021, respectively, have been amortised in the profit or loss. Refer Note 10 for changes in contract assets.

d) Other liabilities

Other liabilities consist of the following:

(EUR)

Other liabilities - Current	As at March 31, 2022	As at March 31, 2021
Advances received from customers	**90,196**	550,250
Indirect taxes payable and other statutory liabilities Others	**2,266,222**	1,028,563
Others	**300**	182,447
Total	**2,356,718**	1,761,260

e) Provisions

Provisions consist of the following:

(EUR)

Provisions - Current	As at March 31, 2022	As at March 31, 2021
Provision for foreseeable loss	**59,498**	635,995
Total	**59,498**	635,995

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10. Revenue recognition

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Transaction price attributed in case of contracts with subsidiary is arrived at on the basis of arm's length price. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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 the 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 is excess of revenue 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 is 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue from operations is EUR 713,838,062 for year ended March 31, 2022 (March 31, 2021: EUR 637,155,236).

Revenue disaggregation by nature of services is as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Consultancy services	**713,662,326**	636,453,928
Sale of equipment and software licences	**175,736**	701,308
Total	**713,838,062**	637,155,236

Revenue disaggregation by nature of services is as follows:

(EUR)

Industry vertical	Year ended March 31, 2022	Year ended March 31, 2021
Banking, Financial Servies and Insurance	**200,921,687**	173,592,676
Manufacturing	**86,573,655**	84,950,084
Hitech	**109,585,957**	93,429,562
Life Sciences and Healthcare	**219,469,685**	212,079,202
Others	**97,287,078**	73,103,712
Total	**713,838,062**	637,155,236

Revenue disaggregation by geography is as follows:

(EUR)

Geography	Year ended March 31, 2022	Year ended March 31, 2021
Europe	**691,425,492**	622,084,854
Others	**22,412,570**	15,070,382
Total	**713,838,062**	637,155,236

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is EUR 326,775,025 out of which EUR 177,008,882 (54.17%) is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**6,227,843**	14,437,654
Invoices raised that were included in the contract assets balance at the beginning of the year	**(5,500,835)**	(12,612,503)
Increase due to revenue recognised during the year, excluding amounts billed during the year	**13,285,685**	4,391,458
Translation exchange difference	**21,841**	11,234
Balance at the end of the year	**14,034,534**	6,227,843

Changes in unearned and deffered revenue are as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**44,108,024**	32,303,851
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**(43,695,585)**	(31,370,981)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**19,955,245**	43,181,424
Translation exchange difference	**16,501**	(6,270)
Balance at the end of the year	**20,384,185**	44,108,024

11. Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary nature. The costs of the Company are broadly categorised into employee benefit expenses, depreciation and other operating expenses. Employee benefit expenses include salaries, incentives and allowances, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as contribution to brand equity, corporate overhead allocation, commission and brokerage, recruitment and training, entertainment, etc.

(EUR)

Other operating expenses	Year ended March 31, 2022	Year ended March 31, 2021
Project expenses	**6,336,250**	6,909,916
Fees to external consultants	**476,941,500**	405,634,150
Cost of equipment and software licenses	**(47,115)**	627,277
Travel expenses	**1,895,706**	1,757,059
Facility running expenses	**2,384,028**	2,443,195
Communication	**9,253,153**	8,434,008
Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)	**(2,565)**	6,345
Other expenses	**15,305,551**	14,718,974
Total	**512,066,508**	440,530,924

12. Other income / (expense)

a) Finance and other income

Interest income is recognised using effective interest method.

(EUR)

	As at March 31, 2022	As at March 31, 2021
Interest on bank deposits	**-**	1,113
Total	**-**	1,113

b) Finance costs

Interest income is recognised using effective interest method.

(EUR)

	As at March 31, 2022	As at March 31, 2021
Interest on lease liabilities	**95,157**	83,161
Other interest expense	**241,853**	348,781
Total	**337,010**	431,942

c) Finance and other non-operating income / (loss), net

(EUR)

	As at March 31, 2022	As at March 31, 2021
Net foreign exchange gains/(losses)	**335,649**	(245,083)
Gain/(loss) on disposal of property, plant and equipment	**(404)**	1,206
Total	**335,245**	(243,877)

13. Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. 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.

Deferred income taxes

Deferred income taxes 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.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

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.

The income tax expense consists of the following:

(EUR)

Current tax	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Current tax expense	**19,850,700**	7,261,528
Deferred tax expense	**(2,671,993)**	5,226,900
Total	**17,178,707**	12,488,428

The reconciliation of estimated income tax expense at the Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:-

(EUR)

Current tax	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Income before taxes	**55,702,094**	37,366,429
Statutory tax rate	**31.62%**	31.60%
Expected income tax expense	**17,610,715**	11,807,456
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax pertaining to prior years:		

Current tax	**479,600**	585,928
Deferred tax	**(479,600)**	-
Disallowed expenses	**57,344**	70,092
Other permanent differences	**(489,352)**	24,952
Total	**17,178,707**	12,488,427

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

(EUR)

Deferred tax liabilities	**Opening balance**	**Recognised / reversed through profit or loss**	**Recognised in other comprehensive income**	**Closing balance as at March 31, 2022**
Deferred tax assets in relation to:				
Provision for employee benefits	**28,422**	**-**	**476,436**	504,858
Deferred Revenue	**7,717,065**	**(2,671,993)**	**-**	5,045,072
Total deferred tax asset	**7,745,487**	**(2,671,993)**	**476,436**	5,549,930

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(EUR)

Deferred tax liabilities	**Opening balance**	**Recognised / reversed through profit or loss**	**Recognised in other comprehensive income**	**Closing balance as at March 31, 2022**
Deferred tax assets in relation to:				
Provision for employee benefits	28,422	-	-	28,422
Deferred Revenue	2,584,178	5,132,887	-	7,717,065
Total deferred tax asset	2,612,600	5,132,887	-	7,745,487

14 Employee benefits

Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at 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.

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Defined contribution plans

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

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.

(EUR)

Employee cost consist of the following:	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, incentives and allowances	**122,753,700**	134,442,957
Contributions to provident and other funds	**12,821,291**	13,217,405
Staff welfare expenses	**751,826**	1,143,132
Total	**136,326,817**	148,803,494

Employee benefit obligations consist of the following:

(EUR)

Employee benefit obligations – Current	Year ended March 31, 2022	Year ended March 31, 2021
Compensated absences	**2,521,277**	2,908,223
Other employee benefit obligations	**93,712**	108,685
Total	**2,614,989**	3,016,908

(EUR)

Employee benefit obligations – Non-current	Year ended March 31, 2022	Year ended March 31, 2021
Net defined benefit pension obligations	**4,546,520**	5,895,367
Total	**4,546,520**	5,895,367

Employee benefit plans

The Company operates a defined benefit pension scheme for the benefit of certain employees. The following table sets out the details of the defined benefit retirement plans and the amount recognised in the financial statements.

(EUR)

Change in defined benefit obligations	Year ended March 31, 2022	Year ended March 31, 2021
Defined benefit obligation at the beginning of the year	**10,610,915**	9,022,380
Service cost	**323,999**	286,384
Interest cost	**111,352**	157,779
Actuarial loss / (gain) on liabilities	**(1,363,415)**	1,152,886
Benefits paid from plan assets	**(12,735)**	(8,514)
Defined benefit obligation at the end of the year	**9,670,116**	10,610,915

(EUR)

Change in plan assets	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of assets at the beginning of the year	**4,715,548**	4,488,142
Actuarial return on assets	**192,916**	30,920
Employer contributions	**227,867**	205,000
Benefits paid	**(12,735)**	(8,514)
Fair value of assets at the end of the year	**5,123,596**	4,715,548

The amount included in the balance sheet arising from the Company's obligations in respect of its defined benefit retirement benefit schemes is as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of plan assets	**5,123,596**	4,715,548
Present value of defined benefit obligations	**(9,670,116)**	(10,610,915)
Net defined benefit obligation	**(4,546,520)**	(5,895,367)

The amounts charged to the profit and loss account in the year are:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Service cost	**323,999**	286,384
Net interest on defined benefit obligation	**60,823**	77,558
Total	**384,822**	363,942

The amount recognised in the other comprehensive income are:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial (gains) and losses arising from changes in financial assumptions	**(1,498,707)**	1,362,351
Actuarial (gains) and losses arising from changes in experience adjustments	**135,292**	(209,465)
Actuarial (gains) and losses on plan assets	**(142,387)**	49,301
	(1,505,802)	1,202,187

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The assumptions used in accounting for the defined benefit plan are set out below:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	**1.80%**	1.05%
Rate of increase of pensions in payment	**1.65%**	1.50%
Rate of increase in compensation levels of covered employees	**3.00%**	2.50%
Weighted average duration of defined benefit plan	**24.3 years**	25.9 years

Future mortality assumptions are taken based on the published statistics by the Richttafeln 2018 G by K.Heubeck. The Company is expected to contribute EUR 227,867 to defined benefit plan obligations funds for the year ending March 31, 2023.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate, expected salary increase and expected pension increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(EUR)

Sensitivity Analysis	Year ended March 31, 2022	Year ended March 31, 2021
Disount rate increased by 100 basis points	**7,676,205**	8,272,828
Disount rate decreased by 100 basis points	**12,364,251**	13,823,210
Salary increase increased by 50 basis points	**9,726,583**	10,674,773
Salary increase decreased by 50 basis points	**9,615,488**	10,549,244
Pension increase increased by 50 basis points	**10,450,599**	-
Pension increase decreased by 50 basis points	**8,968,967**	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(EUR)

Expected benefits payable in future years from the end of the current year:	Year ended March 31, 2022	Year ended March 31, 2021
2023	**19,707**	11,586
2024	**25,644**	12,063
2025	**27,043**	17,818
2026	**33,780**	19,055
2027	**49,659**	25,585
2028-2032	**797,992**	569,827

15. Related party transactions

The Company's principal related parties consist of its ultimate holding company Tata Sons Private Limited and its subsidiaries, parent company Tata Consultancy Services Limited and its subsidiaries, affiliates and key managerial personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business.

Transactions with related parties for the year ended March 31, 2022

(EUR)

	With Tata Sons Private Limited, Ultimate Holding Company	With Subsidiaries/ Associates of Tata Sons Limited	With Tata Consultancy Services Limited, Parent Company	With Subsidiaries of Tata Consultancy Services Limited	Total
Revenue from sale of services and licenses	**-**	**-**	**22,719,138**	**24,358,167**	**47,077,305**
Purchases of goods and services (including reimbursement)	**-**	**102,538**	**364,995,972**	**43,976,364**	**409,074,874**
Brand equity contribution	**1,666,900**	**-**	**-**	**-**	**1,666,900**
Dividend paid	**-**	**-**	**45,000,000**	**-**	**45,000,000**

Transactions with related parties for the year ended March 31, 2021

(EUR)

	With Tata Sons Private Limited, Ultimate Holding Company	With Subsidiaries/ Associates of Tata Sons Limited	With Tata Consultancy Services Limited, Parent Company	With Subsidiaries of Tata Consultancy Services Limited	Total
Revenue from sale of services and licenses	-	-	12,377,004	14,773,758	27,150,762
Purchases of goods and services (including reimbursement)	-	746,059	230,734,984	27,962,980	259,444,023
Brand equity contribution	1,510,027	-	-	-	1,510,027

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Balances with related parties as at March 31, 2022

(EUR)

	With Tata Sons Private Limited, Ultimate Holding Company	With Subsidiaries/ Associates of Tata Sons Limited	With Tata Consultancy Services Limited, Parent Company	With Subsidiaries of Tata Consultancy Services Limited	Total
Trade receivables and contract assets	**-**	**-**	**12,885,168**	**9,129,608**	**22,014,776**
Other financial assets and other assets	**-**	**-**	**6,574,729**	**2 28,308**	**6,803,037**
Trade payables, accrued expenses, unearned and deferred revenue	**1,666,392**	**4,421**	**29,381,724**	**14,078,251**	**45,130,788**
Other financial liabilities and other liabilities	**-**	**-**	**109,384**	**121,462**	**230,846**

Balances with related parties as at March 31, 2021

(EUR)

	With Tata Sons Private Limited, Ultimate Holding Company	With Subsidiaries/ Associates of Tata Sons Limited	With Tata Consultancy Services Limited, Parent Company	With Subsidiaries of Tata Consultancy Services Limited	Total
Trade receivables and contract assets	-	-	10,019,721	8,517,650	18,537,371
Other financial assets and other assets	-	-	17,112,908	732,905	17,845,813
Trade payables, accrued expenses, unearned and deferred revenue	1,509,438	-	9,833,109	7,488,511	18,831,058
Other financial liabilities and other liabilities	-	-	173,219	173,383	346,602

No compensation was paid to key managerial personnel for the year ended March 31, 2022 and March 31, 2021, respectively.

Notes forming part of the Financial Statements

16. Subsequent events

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

17. Comparative Information

The comparative figures presented for the year ended March 31, 2021 have been reclassified where necessary to preserve consistency with the year ended March 31, 2022 figures. However, such reclassifications did not have any effect on the comprehensive income or the total equity for the year ended March 31, 2022.

As per our report of even date attached

For KBJ & ASSOCIATES
Chartered Accountants
Firm's registration no: 114934W

Kaushik B. Joshi
Proprietor
Membership No.48889

Mumbai, May 16, 2022

For and on behalf of the Board

Lakshminarayanan Gomatam Seshadri
Managing Director

S. Chapalapalli
Managing Director

Tata Consultancy Services Sverige AB

556559-4008

ANNUAL REPORT AND FINANCIAL STATEMENTS

Financial Year
2021 - 22

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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Certificate of approval

The undersigned member of the board of the Tata Consultancy Services Sverige AB 556559-4008 hereby certifies that this copy of the Annual Report is a true duplicate, and that the Income Statement and Balance Sheet were adopted by the AGM on 2022 -.....-...... The meeting also decided to approve the Board of Directors' proposal for distribution of profits.

Stockholm 2022 -.....-.....

Pradeep Manohar Gaitonde
Board member

Directors' Report

The board of directors of Tata Consultancy Services Sverige AB hereby presents the financial statement for financial year 2021-04-01 - 2022-03-31.

Business operations

TCS continues to drive value for its Swedish clients by creating and delivering consulting, IT services and product engineering services synergistically, using our Business 4,0 framework, Location Independent Agile and Machine First Delivery Model (MFDM). These elements together with our innovation and the contextual knowledge have helped us gain significant market share and mind share. We have been servicing the Swedish market since 1991. We have 592 195 consultants working globally, out of which 8 631 consultants are serving Swedish clients. The business has its domicile in Stockholm.

Ownership

The company is a wholly-owned affiliate of Tata Consultancy Services Limited org no L22210MH1995PLC084781, with its headquarter in Mumbai, India, is preparing the consolidated financial statement for the group company. Tata Consultancy Services Limited is a publicly listed company on the National Stock Exchange of India Limited and BSE Limited in India. Tata Consultancy Services Limited is owned with 72,02% of the shares by the ultimate holding company Tata Sons Private Limited org no 478, in Mumbai with adress; Bombay House, 24, Homi Mody Street, Mumbai 400 001 India which is the headquarter of Tata.

Significant events during the financial year

There was an increase in sales in FY 22 by 7,5 % from 4 306 MSEK to 4 633 MSEK.

Development of company operations, result and position

	2022-03-31	2021-03-31	2020-03-31	2019-03-31
Net sales (in thousdands)	**4 633 207**	4 306 732	4 393 970	3 831 089
Profit/ loss after financial items (in thousdands)	**239 598**	217 727	145 408	294 534
Equity ratio, % (1)	**71,9**	71,3	40,9	45,5
Operating profit (in thousdands)	**245 606,1**	223 544,5	148 109,1	301 433
Total assets (in thousdands)	**1509 990,3**	1 261 341,7	1 782 763,7	1 354 649,7
Average number of employees	**172**	145	131	93

(1) Adjusted equity/total assets. By adjusted equity means equity + untaxed reservs with deduction of deferred tax liability.

Significant risks and uncertainties

In the course of its business activities, the Company is exposed to risks and uncertainties arising from exogenous factors related to the overall macroeconomic framework or the specific environment the Company operates in, as well as risks related to strategic decisions and internal risk management. The identification and mitigation of these risks were carried out on a regular basis through consistent monitoring and the process is continuously improved and adapted to the changing global risk scenario.

The Company can count on a central risk management, although it allows its supervisors to take care of identification, monitoring and mitigation of the risks themselves. The aim is to estimate the impact of each risk according to going concern premises, reduce risks occurrence and/or moderate their effect in proportion to the determining factor (controllable by the Company or not).

On the topic of business risks, the main risks identified, monitored and managed by the company are as follows:

- risks dependent on exogenous variables;
- risk related to competitiveness;
- risks related to the demand / macro-economic cycles.

The company is exposed to foreign exchange risk as it deals in multi currencies. However, the risk is hedged to a great extent as the expenses are incurred in the respective foreign currency.

The company operates in highly competitive industry, which is reflected in intense price competition of products and services.

In the course of its business activities, the Company is exposed to risks and uncertainties arising from exogenous factors related to the overall macroeconomic framework and the consequent reduction in IT spending by the companies, in containing their costs, could impact the Companys business.

Exogenous factor due to COVID 19

The continuing COVID-19 pandemic emerged as a global challenge, creating continuous disruption across the world. Governments and organizations across the world are continuing to support through significant actions, to address the challenges posed by this critical situation.

While the Company continues to leverage its strong portfolio of services to partner with its diversified customers, the impact on future revenue streams could come from, customers postponing their discretionary spend due to change in priorities, coupled with inability of the customers to continue their business.

The Company throughout the year took proactive measures, such as travel restrictions, cancellation of events and large internal meetings, safe working environments and regular connect with the employees to ensure their health and safety, which has helped to minimize the impact.

The Company institutionalized its Secure Borderless Work SpaceTM (SBWSTM) model, which allowed its employees to work from home, with support from minimal associates working from office, to ensure business support to all its customers. The Company was able to seamlessly adapt and extend this model to prospect for new business, sell, contract and execute programs with strong cybersecurity framework, project management practices and systems needed to ensure that work allocation, monitoring and reporting continued as normal.

The business impact of the pandemic played out broadly along the lines that the Company had anticipated at the beginning of the year with varying levels of impact.

As the pandemic and geo-political situation continues to evolve, the Company continues to focus on engaging with the clients in their growth and transformation journey propelled by our shared purpose and beliefs, unmatched expertise, capabilities and investments.

Expected future business activities

We continuously strive to establish new business lines with existing clients and we are also trying to acquire new clients. The demand for our services are expected to be in line with the Swedish market for IT-services during the financial year 2022-2023.

Sustainability information

The assets of a company are not only measured in quantifiable values, but also consist of elements that can only be described in qualitative terms. The employees of Tata Consultancy Services Sweden AB are among the most important building blocks of the company's success. The attrition rate of is below the level of comparable companies.

The company has been certified as a Top Employer / Best employer in Sweden since 2013. We are currently recruiting trainees from over 10 universities in Sweden and collaborating with student bodies. The company is holder of ISO 45001:2018 certificate and ISO 14001:2015 certificate.

The company also contributes to the social causes as stated below:

- Stockholm Science & Innovation School (SSIS): We have a long standing relationship with SSIS and in 2021 we also trained their teachers on goIT which is an awareness program for school students on IT industry, who then engaged close to 100 students in a goIT Program.
- Sweden Ecpat: Have assisted with the back end solution for their new Hotline which went live last month. Support/maintnenance of the hotline will also be handled by TCS.

The company uses 100% renewable energy in its office in Stockholm whose origin has been verified under the Guarantee of Origin System . The company also contributes to Håll Sverige Rent's work against littering.

Sustainability report

The company's sustainability report is prepared by the parent company TCS Ltd and is available on: https://www.tcs.com/investor-relations/financial-statements

Proposed allocation of company profit or loss

	Amounts in SEK
Profit brought forward from previous years	632 932 350
Profit for the year	366 466 501
Sum	999 398 851
The board proposes that	
the following be carried forward	999 398 851
Total	999 398 851

Concerning earnings and financial position, please view the attached documentation on Income Statement, Balance Sheet and Cash flow analysis together with additional information in notes.

Auditors' Report

To the general meeting of the shareholders of Tata Consultancy Services Sverige AB, corp. id 556559-4008

REPORT ON THE ANNUAL ACCOUNTS

Opinions

We have audited the annual accounts of Tata Consultancy Services Sverige AB for the financial year 2021-04-01—2022-03-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of Tata Consultancy Services Sverige AB as of 31 March 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Tata Consultancy Services Sverige AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts The Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors', use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on

the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Tata Consultancy Services Sverige AB for the financial year 2021-04-01—2022-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Tata Consultancy Services Sverige AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general..

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm

KPMG AB

Fredrik Wollmann
Authorized Public Accountant

Balance Sheet

Amounts in SEK

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Fixed assets			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights	10	**5 317 132**	7 947 807
		5 317 132	7 947 807
Tangible asset			
Equipment, tools, fixtures and fittings	11	**64 882 525**	88 148 031
		64 882 525	88 148 031
Financial assets			
Other long-term receivables	12	**11 919 935**	19 861 885
		11 919 935	19 861 885
Total fixed assets		**82 119 592**	115 957 723
Current assets			
Current receivables			
Accounts receivable - trade		**723 308 015**	705 167 968
Receivables from group companies	13	**329 065 958**	45 289 994
Current tax assets		**13 401 143**	18 373 162
Other receivables		**2 665 950**	10 000 360
Receivables due from customers	14	**192 818 266**	163 052 846
Prepaid expenses and accrued income	15	**31 307 125**	44 258 593
		1 292 566 457	986 142 923
Cash and bank balances		**135 304 209**	159 241 042
Total current assets		**1 427 870 666**	1 145 383 965
TOTAL ASSETS		**1 509 990 258**	1 261 341 688
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	16	**100 000**	100 000
Statutory reserve		**20 000**	20 000
		120 000	120 000
Non-restricted equity			
Result brought forward		**632 932 350**	488 843 015
Profit for the year		**366 466 501**	144 089 335
		999 398 851	632 932 350
Total equity		**999 518 851**	633 052 350
Untaxed reserves			
Tax allocation reserves	18	**108 900 000**	339 082 198
		108 900 000	339 082 198
Current liabilities			
Accounts payable - trade		**16 167 668**	18 012 665
Liabilities to group companies	19	**27 271 853**	18 583 935
Other current liabilities		**188 241 767**	112 888 653
Liabilities due from customers	20	**58 013 331**	65 369 828
Accrued expenses and deferred income	21	**111 876 788**	74 352 059
		401 571 407	289 207 140
TOTAL EQUITY AND LIABILITIES		**1 509 990 258**	1 261 341 688

Income Statement

Amounts in SEK

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Net sales	3	**4 633 206 940**	4 306 732 158
Other operating income		**34 128 987**	30 808 385
		4 667 335 927	4 337 540 543
Operating Expenses			
Sales/Service costs		**(3 049 882 703)**	(2 756 090 072)
Other external costs	4,7	**(1 125 897 067)**	(1 145 593 720)
Employee benefit expenses	8	**(202 689 981)**	(173 812 036)
Depreciation of intangible and tangible assets	10,11	**(43 260 030)**	(38 500 248)
Operating profit		**245 606 146**	223 544 467
Profit from financial items			
Interest income and similar income	5	**25 331**	96 715
Interest expenses and similar expenses	6	**(6 033 130)**	(5 913 959)
Profit after financial items		**239 598 347**	217 727 223
Appropriations		**230 182 198**	(32 474 359)
PROFIT BEFORE TAX		**469 780 545**	185 252 864
Tax on profit for the year	9	**(103 314 044)**	(41 163 529)
NET PROFIT FOR THE YEAR		**366 466 501**	144 089 335

Changes of equity

Amounts in SEK

	Share capital	Statutory reserve	Balance Sheet profit	Year's profit
At beginning of year	**100 000**	**20 000**	**488 843 015**	**144 089 335**
Transfer of previous year's profit	-	-	144 089 335	(144 089 335)
Profit for the year	-	-	-	366 466 501
At year-end	**100 000**	**20 000**	**632 932 350**	**366 466 501**

Cash flow statement

Amounts in SEK

	Note	Year ended March 31, 2022	Year ended March 31, 2021
OPERATING ACTIVITIES			
Profit after financial items		**239 598 347**	217 727 223
Adjustments for items not included in cash flow, etc.	22	**43 260 030**	38 500 248
		282 858 377	256 227 471
Tax paid		**(98 342 025)**	(66 169 910)
Cash flow from changes in working capital		**184 516 352**	190 057 561
Increase(-)/Decrease (+) in inventories			
Increase(-)/Decrease (+) in operating receivables			
Increase (+)/Decrease (-) in operating liabilities		**-**	-
Cash flow from operating activities		**(311 395 553)**	(156 700 748)
Increase (+)/Decrease (-) in operating liabilities		**112 364 267**	(691 985 671)
Cash flow from operating activities		**(14 514 934)**	(658 628 858)
INVESTING ACTIVITIES			
Acquisition of intangible asset		**(655 041)**	(4 249 522)
Acquisition of tangible assets		**(16 708 808)**	(52 511 438)
Increase (+)/Decrease (-) of financial assets		**7 941 950**	4 862 076
Cash flow from investing activities		**(9 421 899)**	(51 898 884)
FINANCING ACTIVITIES			
Dividend distributed to parent company		**-**	-
Cash flow from financing activities		**-**	-
Cash flow for the year		**(23 936 833)**	(710 527 742)
Cash and cash equivalents at the beginning of the year		**159 241 042**	869 768 784
Cash and cash equivalents at the end of the year		**135 304 209**	159 241 042

Notes forming part of the Financial Statements

1. ACCOUNTING PRINCIPLES

Accounting and valuation principles

The company applies the Swedish Annual Accounts Act (1995: 1554) and the Accounting Standards Board BFNAR 2012: 1 Annual report and consolidated financial statements ("K3").

Valuation principles etc

Assets, provisions and liabilities are valued based on cost unless otherwise stated.

Intangible assets

Intangible assets acquired by the company are recorded at acquisition cost less accumulated depreciation and impairment.

Depreciation

Depreciation takes place lineally over the asset's useful life. Depreciation is reported as a cost in the Profit and Loss Account. Depreciation is included in the reported for the intangible asset value.

Intangible assets	Year
Acquired intangible assets	
Licenses	4

Revenue

Revenue is recognized at the fair value of the consideration received or receivable, net of value added tax, rebates, returns and other similar allowances.

Sales of services

Revenue from the sale of services on an ongoing basis are recognized as revenue in the period the work is performed and materials supplied or consumed.

Revenue from sales of services to fixed price contracts is recognized using the so-called percentage of completion method. This means that revenues and costs are recognized in proportion to the stage of completion at the balance sheet date. Completion is determined by calculating the ratio of contract costs incurred for work performed to date bear to the estimated total contract costs. An expected loss on an assignment is recognized immediately as an expense. When the outcome of a transaction cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognized as expenses in the period in which they arise.

Leases

A finance lease is a contract under which the risks and rewards incidental to ownership of an asset are essentially transferred from the lessor to the lessee. Other leases are classified as operating leases. All leases are accounted for as operating leases.

Lessees

Lease payments under operating leases are expensed on a straight-line basis over the lease term unless another systematic approach better reflects the user's benefit over time.

Foreign currency

The company's reporting currency is the Swedish krona (SEK).

Translation of foreign currency items

At each balance sheet date, monetary items are denominated in foreign currencies at the closing rate. Non-monetary items are measured in terms of historical cost in foreign currency at the purchase date rate. Exchange differences are recognized in operating income or financial item based on the underlying transaction, in the period incurred, except for transactions that constitute hedges and qualify for hedge accounting of cash flow or net investment.

Notes forming part of the Financial Statements

Employee Benefits

Employee benefits in the form of salaries, bonuses, paid holidays, paid sick leave, etc. and pensions is recognized as earned. Pensions and other post-employment benefits are classified as defined contribution or defined benefit pension plans. The company has only defined contribution pension plans.

Defined contribution plans

For defined contribution plans, the company pays fixed contributions into a separate independent legal entity and has no obligation to pay further contributions. The company's earnings are charged with costs as the benefits are earned, which normally coincides with the time when premiums are paid.

Income Taxes

The tax expense represents the sum of current and deferred tax.

Current tax

Current tax is calculated on the taxable profit for the period. Taxable profit differs from the result reported in the income statement when it is adjusted for non-taxable income and non-deductible expenses and income and expense that are taxable or deductible in other periods. Current tax is calculated using tax rates applicable at the balance sheet date.

Deferred taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the tax bases used in the computation of taxable profit. Deferred tax is recognized using the liability method. Deferred tax liabilities are recognized for practically all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the amounts can be utilized against future taxable income. Untaxed reserves are reported including deferred tax liabilities.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to be used, wholly or partly, against the deferred tax asset.

The valuation of deferred tax is based on how the company, the balance sheet date, expects to recover the carrying value of the corresponding asset or settle the carrying amount of the associated liabilities. Deferred tax is calculated using tax rates and tax laws that have been enacted by the balance sheet date.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in the income statement, except when the tax relates to items recognized directly in equity. In such cases, the tax is also recognized directly in equity.

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and any impairment losses.

The cost consists of the purchase price and costs directly attributable to the acquisition to put it in place and condition for use. Subsequent costs are included only in the asset or recognized as a separate asset when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the same item can be measured reliably. All other repairs and maintenance, and additional expenses are recognized in the income statement in the period in which they arise.

Depreciation of tangible fixed assets are expensed as cost of the asset, possibly, less estimated residual value at the end of useful life is amortized over its estimated useful life. If an asset has been divided into different components are written each component separately over its useful life. Depreciation commences is the tangible fixed asset can be put to use. Tangible fixed assets' useful lives are estimated at:

Tangible assets	Year
Machinery and other technical equipment	5
Equipment, tools and installations	5
Computers	4

Estimated useful lives and amortization methods are reviewed if there are indications that the expected consumption has changed significantly compared with the estimate at the previous balance sheet date. As the company changes the assessment of useful lives are reviewed including asset any residual value. The effect of these changes are accounted for prospectively.

Impairment of tangible assets

At each balance sheet the company analyzes the carrying values of tangible fixed assets and intangible assets to determine whether there is any indication that those assets have declined in value. If so, the assets recoverable amount in order to determine the value of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value less costs to sell is the price that the company expects to obtain in a sale between knowledgeable, independent parties and who have an interest in the transaction, less the costs that are directly attributable to the sale. The calculation of value in use discounted estimated future cash flows to present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks associated with the asset. To calculate the future cash flows, the company used the budget and forecasts for the next five years.

If the recoverable amount of an asset (or cash-generating unit) is fixed at a value lower than the carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is immediately expensed in the income statement.

At each balance sheet date, the company makes an assessment of the earlier impairment is no longer justified. If so, it is reversed partially or completely. Where an impairment loss subsequently reverses, increase the asset (cash-generating unit) carrying value. The carrying value after reversal of impairment loss shall not exceed the carrying amount that would be determined if no impairment loss been recognized by the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits at banks and other credit institutions and other short-term highly liquid investments that are readily convertible into cash and are subject to an insignificant risk of changes in value. To be classified as cash and cash equivalents duration may not exceed three months from the date of acquisition.

Contingent liabilities

A contingent liability is:

- A possible obligation which, as a result of events that have occurred and the occurrence of which will only be confirmed by one or more uncertain future events, which is not entirely within the company's control, occurs or does not occur, or
- An existing obligation which, as a result of events that have occurred, but which is not reported as a liability or provision because it is not probable that an outflow of resources will be required to settle the obligation or the size of the obligation can not be calculated with sufficient reliability.

  Contingent liabilities are a summary term for such guarantees, financial commitments and any liabilities that are not recognized in the balance sheet.

Cash Flow Statement

The cash flow statement shows the company's changes in the company's cash and cash equivalents during the financial year. The cash flow statement has been prepared using the indirect method. The reported cash flow includes only transactions that involve receipts and disbursements.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In order to prepare annual accounts in accordance K3 requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, income and expenses. These estimates are based on historical experience and other factors deemed to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions exist. Estimates and assumptions are reviewed regularly. Changes in estimates are recognized in the period the change is made if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods. No estimates have been made that may have a significant effect on the amounts recognized in the financial statements. No assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date have been made that involve a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

In FY 2021-2022. 82% (80%) of the total purchases and 4% (4%) of the total sales respectively in SEK was from affiliate companies within the group.

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Notes forming part of the Financial Statements

The Company believes that it has the financial strength and a portfolio of technology and business solutions which are even more relevant in partnering with its customers to make them realize their goals. The Company has assessed its cost budgets required to complete its performance obligations in respect of fixed price projects and incorporated the impact of likely delays/increased cost in meetings its obligations, revision of Service Level Agreements etc.

The company is regularly monitoring its trade receivables with close attention to the customers who might be undergoing financial stress. The Company does not foresee any large-scale contraction in demand which could result in significant employee down-sizing, rendering the physical infrastructure redundant. Accordingly, no changes are anticipated in the long term leases for the premises taken on lease.

3. NET SALES BY BUSINESS SEGMENT AND GEOGRAPHIC MARKET

Net sales by geographic market

	Year ended March 31, 2022	Year ended March 31, 2021
Nordic countries	**4 540 295 479**	4 239 042 610
Europe, excluding the Nordic countries	**74 396 207**	55 382 245
USA	**17 674 112**	9 688 665
Mexico	**841 142**	342 188
India	**-**	2 276 450
Total	**4 633 206 940**	4 306 732 158

4. OPERATIONAL LEASING - LESSEE

	Year ended March 31, 2022	Year ended March 31, 2021
Future minimum leasing fees with respect to non redeemable operational leasing agreement:		
Within one year	**6 761 470**	4 903 630
Between one and five years	**21 665 502**	1 226 434
	28 426 972	6 130 064
The financial year's expensed leasing fees	**9 915 609**	9 244 333

Of the lease payments represent 8 752 140 SEK rents for offices. The two leases is extended.

5. INTEREST INCOMES AND SIMILAR RESULT ITEMS

	Year ended March 31, 2022	Year ended March 31, 2021
Other	**25 571**	13 987
Total	**25 571**	13 987

6. INTEREST EXPENSES AND SIMILAR RESULT ITEMS

	Year ended March 31, 2022	Year ended March 31, 2021
Interest costs, other	**6 033 370**	5 996 687
Total	**6 033 370**	5 996 687

7. REMUNERATION TO, AND EXPENSES OF, AUDITORS

	Year ended March 31, 2022	Year ended March 31, 2021
KPMG		
Tax consultancy	**-**	-
Audit assignments	**298 000**	238 500
	298 000	238 500

8. EMPLOYEES AND PERSONNEL COSTS

Average number of employees

	Year ended March 31, 2022	Year ended March 31, 2021
Men	**151**	117
(Men in board)	**3**	3
Women	**21**	28
(Women in Board)	**-**	-
	175	148

Salaries, other remuneration and social costs

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and other remuneration		
Board of Directors	**(3 035 319)**	(2 775 108)
Other employees	**(135 220 483)**	(116 951 920)
	(138 255 802)	(119 727 028)
Social costs	**(50 346 175)**	(38 727 646)
(of which pension expenses) 1)	**(11 452 420)**	(10 743 002)

1) Of the company's pension costs - 833 409 SEK, (776 088 SEK) relates to management

9. TAX ON ANNUAL PROFIT

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax expense	**(103 314 044)**	(41 163 529)
Adjustment of previous year's tax expense	**-**	-
	(103 314 044)	(41 163 529)

Notes forming part of the Financial Statements

Reconciliation of effective tax

	Year ended March 31, 2022	Year ended March 31, 2021
Result before tax	**469 780 545**	185 252 864
Tax according to applicable tax rate for parent company	**(96 774 792)**	(39 644 113)
Non-deductible expenses	**(3 382 272)**	(988 951)
Non-taxable income	**37 327**	-
Tax on standard income tax allocation	**(3 194 307)**	(530 465)
Reported effective tax	**(103 314 044)**	(41 163 529)
Effective tax rate	**22,0%**	22,2%
Current tax rate	**20,6%**	21,4%

10. INTANGIBLE ASSETS

	As at March 31, 2022	As at March 31, 2021
Accumulated cost of acquisitions		
- At beginning of year	**12 503 156**	8 253 634
- New acquisitions	**655 041**	4 249 522
At the end of the year	**13 158 197**	12 503 156
Accumulated depreciation		
- At beginning of year	**(4 555 349)**	(1 746 960)
- Depreciation for the year	**(3 285 716)**	(2 808 389)
At the end of the year	**(7 841 065)**	(4 555 349)
Carrying amount at year-end	**5 317 132**	7 947 807

11. EQUIPMENT, TOOLS AND INSTALLATIONS

	As at March 31, 2022	As at March 31, 2021
Accumulated cost of acquisitions		
- At beginning of year	**195 629 463**	143 683 494
- New acquisitions	**16 708 808**	52 511 438
- Disposals and obsolescence	**-**	(565 469)
At the end of the year	**212 338 271**	195 629 463
Accumulated depreciation		
- At beginning of year	**(107 481 432)**	(72 355 042)
- Reversed depreciation of disposals and scrap	**-**	565 469
- Depreciation for the year	**(39 974 314)**	(35 691 859)
	(147 455 746)	(107 481 432)
Carrying amount at year-end	**64 882 525**	88 148 031

12. OTHER LONG-TERM RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
Accumulated acquisition costs:		
- At beginning of year	**19 861 885**	24 723 960
- Additional receivables	**11 919 935**	19 861 885
- Settled receivables	**(19 861 885)**	(24 723 960)
Carrying amount at year-end	**11 919 935**	19 861 885

13. RECEIVABLES FROM GROUP COMPANIES

	As at March 31, 2022	As at March 31, 2021
Tata Consultancy Services Danmark ApS	**1**	1
Tata Consultancy Services Asia Pacific Pte Ltd	**-**	323 673
Tata Consultancy Services Canada Inc.	**0**	67 712
Tata Consultancy Services Limited Belgium S.A./N.V.	**-**	307 959
Tata Consultancy Services Brasil Ltd	**6 501**	
Tata Consultancy Services Limited	**323 362 406**	44 157 567
Tata Consultancy Services Italia srl	**5 238 480**	248 349
Tata Consultancy Services Osterreich GmbH	**44 657**	27 963
Tata Consultancy Services Luxembourg S.A.	**413 913**	156 770
Total	**329 065 958**	45 289 994

14. RECEIVABLES DUE FROM CUSTOMERS

	As at March 31, 2022	As at March 31, 2021
Accrued income	**811 481 361**	3 541 632 601
Invoiced amount	**(618 663 095)**	(3 378 579 755)
Sum	**192 818 266**	163 052 846

15. PREPAYMENTS AND ACCRUED INCOME

	As at March 31, 2022	As at March 31, 2021
Prepaid rent	**10 669 395**	21 520 320
Prepayment Supplier	**540 977**	540 977
Others	**20 096 753**	22 197 296
	31 307 125	44 258 593

16. EQUITY

The share capital amounts to 1000 shares with a share value of 100 SEK.. The share capital is unchanged from the previous year.

Notes forming part of the Financial Statements

17. ALLOCATION OF COMPANY PROFIT OR LOSS

	Amounts in SEK
Profit brought forward from previous years	**632 932 350**
Profit for the year	**366 466 501**
Total	**999 398 851**
The board proposes that the following be carried forward	**999 398 851**
Sum	**999 398 851**

18. TAX ALLOCATION RESERVE

	As at March 31, 2022	As at March 31, 2021
Tax allocation reserve, dedicating tax year 2016	**-**	33 902 786
Tax allocation reserve, dedicating tax year 2017	**-**	55 669 869
Tax allocation reserve, dedicating tax year 2018	**-**	60 265 863
Tax allocation reserve, dedicating tax year 2019	**-**	80 343 680
Tax allocation reserve, dedicating tax year 2020	**44 900 000**	44 900 000
Tax allocation reserve, dedicating tax year 2021	**64 000 000**	64 000 000
	108 900 000	339 082 198

19. SHORT-TERM LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Tata Sons Private Limited	**11 099 084**	10 425 068
Tata America International Corporation	**-**	312 697
Tata Consultancy Services do Brazil Ltda.	**-**	155 172
Tata Consultancy Services China Co. Ltd.	**287 947**	288 231
Tata Consultancy Services Asia Pacific Pte Ltd	**80 573**	-
Tata Consultancy Services Portugal, Unipessoal Lda	**511 598**	592 459
Tata Consultancy Services Netherlands B.V.	**1 467 437**	633 159
Tata Consultancy Services de Mexico SA de CV	**1 089 459**	527 387
Tata Consultancy Services France	**912 027**	9 391
Tata Consultancy Services Limited Belgium S.A./N.V.	**155 871**	-
Tata Consultancy Services Deutschland GmbH	**4 719 566**	1 383 556
Tata Consultancy Services Switzerland Ltd	**1 571 764**	2 351 550
Tata Consultancy Services de Espana SA	**5 376 527**	1 905 265
Total	**27 271 853**	18 583 935

20. LIABILITIES DUE FROM CUSTOMERS

	As at March 31, 2022	As at March 31, 2021
Invoiced amount	**522 452 115**	805 764 014
Accrued income	**(464 438 785)**	(740 394 186)
Sum	**58 013 330**	65 369 828

Back to content

Notes forming part of the Financial Statements

21. ACCRUALS AND PREPAID INCOME

	As at March 31, 2022	As at March 31, 2021
Bonus and final salaries	**11 678 978**	7 998 519
Other personnel costs	**35 057 660**	29 335 108
Other accrued costs	**65 140 149**	37 018 432
	111 876 787	74 352 059

22. MISCELLANEOUS INFORMATION FOR CASH FLOW ANALYSIS

	Year ended March 31, 2022	Year ended March 31, 2021
Adjustments for items not included in cash flow etc.		
Depreciation	**43 260 030**	38 500 248
	43 260 030	38 500 248

23. PLEDGED ASSETS, CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	As at March 31, 2022	As at March 31, 2021
Securities pledged		
Securities pledged	**None**	None

Capital commitments

The company has capital commitments of a total amount of SEK 2 952 009, (9 127 879), where the amount of SEK 2 950 009 is of fixed assets, (9 127 879 SEK).

24. INFORMATION ABOUT THE GROUP

The company is a wholly-owned affiliate of Tata Consultancy Services Limited org no L22210MH1995PLC084781, with its headquarter in Mumbai, India, is preparing the consolidated financial statement for the group company. Tata Consultancy Services Limited is a publicly listed company on the National Stock Exchange of India Limited and BSE Limited in India. Tata Consultancy Services Limited is owned with 72,02% of the shares by the ultimate holding company Tata Sons Private Limited org no 478, in Mumbai with adress; Bombay House, 24, Homi Mody Street, Mumbai 400 001 India which is the headquarter of Tata.

24. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

There were no significant subsequent events that have occurred after the end of the financial year under review other than COVID 19, the global pandemic which had given rise to an unprecedented economic scenario and is continuing to have business impact across the world.

Signatures

Stockholm 2022-.....-.....

Avinash Surendra Limaye	Sapthagiri Chapalapalli	Pradeep Manohar Gaitonde
Board member	Chairman of the board	Board member

Our Audit Report was presented on 2022-.....-.....

KPMG AB

Fredrik Wollman
Authorized public accountant

Tata Consultancy Services Netherlands B.V.
Amsterdam

ANNUAL REPORT AND
FINANCIAL STATEMENTS

For the year ended
March 31, 2022

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Tata Consultancy Services Netherlands B.V.

Report on the special purpose Ind AS Financial Statements

Opinion

We have audited the accompanying Special purpose Ind AS financial statements of Tata Consultancy Services Netherlands B.V. ('the Company), which comprises the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and the summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose Ind AS financial statements"). The special purpose Ind AS financial statements have been prepared by the management as described in Note 2 to the Special Purpose Ind AS financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special purpose Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and it's Profit (including other Comprehensive Income), Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special purpose Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose Ind AS financial statements under the provisions of the Act and the Rules thereunder, and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Special purpose Ind AS financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Special purpose Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose Ind AS financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

In preparing these Special purpose Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process..

Auditor's Responsibilities for the Audit of the Special purpose Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special purpose Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

(To the extent applicable to a Company incorporated outside India)

1. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid financial statement comply with the Ind AS specified under Section 133 of the Act.

Restriction on Distribution and Use

These Special purpose Ind AS financial statements have been prepared to comply with the Section 129(3) of the Companies Act 2013, of Tata Consultancy Services Limited for the year ended 31st March, 2022 in accordance with Accounting Standard specified in section 133 of the Companies Act 2013. Our report is intended solely for the information and use of Board of Directors of the company and Tata Consultancy Services Limited for the preparation of this Special purpose Ind AS financial statements as aforesaid and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

K B J & ASSOCIATES
(Chartered Accountants)
(Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(Membership No.48889)

Date: 13 May, 2022
Place: Mumbai

Balance sheet

Amount in EUR

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	8(a)	**4,180,353**	4,581,871
(b) Capital work-in-progress	8(a)	**562,878**	211,114
(c) Right-of-use assets	7	**7,618,201**	6,349,618
(d) Intangible assets	8(b)	**187,045**	3,393,805
(e) Financial assets			
(i) Investments	6(a)	**195,118,930**	191,808,931
(ii) Other financial assets	6(e)	**595,634**	595,475
(f) Income tax assets (net)		**302,317**	340,034
(g) Deferred tax assets (net)	15	**79,303**	-
(h) Other assets	8(c)	**665,003**	2,917,058
Total non-current assets		**209,309,664**	210,197,906
Current assets			
(a) Financial assets			
(i) Trade receivables	6(b)	**165,378,708**	122,479,149
(ii) Unbilled receivables		**37,624,484**	24,179,715
(iii) Cash and cash equivalents	6(c)	**35,270,641**	40,462,940
(iv) Loans receivables	6(d)	**2,857,291**	402,658
(v) Other financial assets	6(e)	**6,061,057**	1,499,110
(b) Other assets	8(c)	**27,571,545**	29,936,530
Total current assets		**274,763,726**	218,960,102
TOTAL ASSETS		**484,073,390**	429,158,008
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	6(k)	**66,000,000**	66,000,000
(b) Other equity	9	**246,547,105**	259,923,444
Equity attributable to shareholders of the company		**312,547,105**	325,923,444
Non-controlling interests		**-**	-
Total Equity		**312,547,105**	325,923,444
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(ii) Other financial liabilities		**55,146**	32,705
(i) Lease Liability		**5,919,112**	4,874,165
(b) Deferred tax liabilities (net)	15	**347,369**	538,457
Total non-current liabilities		**6,321,627**	5,445,327
Current liabilities			
(a) Financial liabilities			
(i) Lease Liability		**2,086,073**	1,850,673
(ii) Trade payables	6(f)	**109,900,095**	61,871,936
(iii) Other financial liabilities	6(g)	**12,956,978**	9,773,372
(b) Unearned and deferred revenue	10	**14,196,170**	7,870,440
(c) Income tax liabilities (net)		**553,349**	(5,190)
(d) Employee benefit obligations	12	**4,674,013**	5,114,494
(e) Provisions	8(d)	**106,032**	253,403
(f) Other liabilities	8(e)	**20,731,948**	11,060,110
Total current liabilities		**165,204,658**	97,789,238
TOTAL EQUITY AND LIABILITIES		**484,073,390**	429,158,008
NOTES FORMING PART OF FINANCIAL STATEMENTS	1-21		

As per our report of even date attached

For and on behalf of the Board of Directors
of Tata Consultancy Services Netherlands B.V.

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W
Kaushik B. Joshi
Proprietor
Membership number : 48889
Mumbai, May 13, 2022

Pradeep Manohar Gaitonde
Director
Mumbai
Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Statement of Profit and Loss

Amount in EUR

		Note	Year ended March 31, 2022	Year ended March 31, 2021
I.	Revenue	10	**687,228,782**	623,068,276
II.	Other income	11	**37,919,286**	15,632,949
III.	**TOTAL INCOME**		**725,148,068**	638,701,225
IV.	**Expenses**			
	(a) Employee benefit expenses	12	**186,413,245**	173,681,644
	(b) Cost of equipment and software licences	13(a)	**2,199,076**	3,422,222
	(c) Depreciation and amortisation expense		**3,509,727**	3,126,478
	(d) Other expenses	13(b)	**461,695,097**	411,096,571
	(e) Finance costs	14	**294,608**	355,528
TOTAL EXPENSES			**654,111,753**	591,682,443
V.	**PROFIT/(LOSS) BEFORE TAX**		**71,036,315**	47,018,782
VI.	**Tax expenses**			
	(a) Current tax	15	**9,683,045**	7,133,644
	(b) Deferred tax	15	**(270,391)**	(22,499)
TOTAL TAX EXPENSES			**9,412,654**	7,111,145
VII.	**PROFIT/(LOSS) FOR THE YEAR**		**61,623,661**	39,907,637
VIII.	**SHARE OF LOSS OF ASSOCIATE**		**-**	-
IX.	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**		**61,623,661**	39,907,637
Earnings per equity share: Basic and diluted (EUR)		16	**934**	605
Weighted average number of equity shares			**66,000**	66,000
X.	**NOTES FORMING PART OF FINANCIAL STATEMENTS**	1-21		

As per our report of even date attached

For and on behalf of the Board of Directors
of Tata Consultancy Services Netherlands B.V.

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889
Mumbai, May 13, 2022

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

Amount in EUR

Balance as at April 1, 2020	Change in Equity share capital during the year	Balance as at March 31, 2021
66,000,000	-	66,000,000

Amount in EUR

Balance as at April 1, 2021	Change in Equity share capital during the year	Balance as at March 31, 2022
66,000,000	**-**	**66,000,000**

B. OTHER EQUITY

Amount in EUR

	Reserves and surplus	
	Retained earnings	**Total equity**
Balance as at April 1, 2020	265,230,427	265,230,427
Profit for the year	39,907,637	39,907,637
Dividend	(45,000,000)	(45,000,000)
Effect of change in lease term pertaining to earlier years of Ind AS 116	(214,620)	(214,620)
Balance as at March 31, 2021	259,923,444	259,923,444
Balance as at April 1, 2021	**259,923,444**	**259,923,444**
Profit for the year	**61,623,661**	**61,623,661**
Dividend	**(75,000,000)**	**(75,000,000)**
Effect of change in lease term pertaining to earlier years of Ind AS 116	**-**	**-**
Balance as at March 31, 2022	**246,547,105**	**246,547,105**
NOTES FORMING PART OF FINANCIAL STATEMENTS 1-21		

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889
Mumbai, May 13, 2022

For and on behalf of the Board of Directors
of Tata Consultancy Services Netherlands B.V.

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Statement of Cash flows

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	**71,036,315**	47,018,782
Depreciation expense	**3,509,727**	3,126,478
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	**15,092**	(5,221)
Exchange difference on translation of foreign currency cash and cash equivalents	**(715,784)**	225,703
Fianance Cost	**294,608**	355,528
Dividend income	**(36,324,379)**	(17,504,441)
Interest income	**(6,703)**	(176,359)
Operating Profit/(Loss) before working capital changes	**37,808,876**	33,040,469
Net change in		
Trade receivables	**(42,899,559)**	43,332,381
Unbilled receivables	**(13,444,768)**	(6,819,288)
Other Financial Assets	**(1,244,390)**	633,512
Other assets	**1,299,324**	(2,361,281)
Loans Receivable	**(2,454,634)**	1,289,431
Trade & other payables	**48,028,159**	(61,424,095)
Other financial liabilities	**3,071,665**	(343,808)
Unearned and deferred revenues	**6,325,730**	(3,138,704)
Employee benefit obligations	**(440,481)**	1,612,337
Other liabilities and provisions	**9,524,468**	(1,147,254)
Cash (used in)/generated from operations	**45,574,391**	4,673,699
Taxes paid (net of refund)	**(9,086,790)**	(3,886,927)
Net cash generated from operating activities	**36,487,601**	786,773
II. CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property and equipment	**(1,062,613)**	(1,778,680)
Payment for purchase of intangible assets	**2,952,120**	(3,339,802)
Purchase of Investments	**(3,309,998)**	-
Interest received	**13,113**	189,876
Dividend received	**36,324,379**	17,504,441
Proceeds from repayment of inter-co loans	**-**	12,000,000
Net cash generated from investing activities	**34,917,000**	24,575,835
III. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid (including tax on dividend)	**(75,000,000)**	(45,000,000)
Interest paid	**(191,812)**	(439,924)
Repayment of lease liabilities and interest	**(2,120,872)**	(2,016,650)
Net cash used in financing activities	**(77,312,684)**	(47,456,574)
Net change in cash and cash equivalents	**(5,908,083)**	(22,093,965)
Cash and cash equivalents at the beginning of the year	**40,462,940**	62,782,609
Exchange difference on translation of foreign currency cash and cash equivalents	**715,784**	(225,703)
Cash and cash equivalents, as at the end of the year (Refer Note 8)	**35,270,641**	40,462,940
IV. NOTES FORMING PART OF FINANCIAL STATEMENTS 1-21		

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889
Mumbai, May 13, 2022

For and on behalf of the Board of Directors
of Tata Consultancy Services Netherlands B.V.

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Notes forming part of the Financial Statement

1. CORPORATE INFORMATION

Tata Consultancy Services Netherlands B.V., ('the Company'), having its legal address in Symphony Towers, 20th and 21st floor, Gustav Mahlerplein 85-91, 1082 MS, Amsterdam, The Netherlands, is a private limited liability company under Dutch law and is registered as a financial holding under number 33237130 in the Trade Register.

The Company is a wholly-owned subsidiary of Tata Consultancy Services Limited ("Parent Company"), Mumbai, India. The financial information of the Company is included in the consolidated financial statements of the Parent Company. The consolidated financial statements can be obtained at the website of the Parent Company, at the Investors page at www.tcs.com, or at cost at the office of the Company.

The Company and its subsidiaries provide consulting-led integrated portfolio of information technology (IT) and IT-enabled services delivered through a network of locations around the globe. The Company's full services portfolio consists of Application Development, Assurance Services, Business Intelligence and Performance Management, Business Process Services, Engineering and Industrial Services, Enterprise Security and Risk Management, Enterprise Solutions, IT Infrastructure Services etc.

2. STATEMENT OF COMPLIANCE

These special purpose financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time. This special purpose financial statements have been prepared for inclusion of Tata Consultancy Services Limited (Intermediate Holding Company) under the requirement of Section 129(3) of the Companies Act, 2013('the Act').

3. BASIS OF PREPARATION

These special purpose financial statements have been presented in EURO which is the functional currency of the Company.

These special purpose financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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 or non current as per the Company's normal operating cycle and other criteria as set out in division II of Schedule III to the Company's Act, 2013. Based on the nature of services rendered to customer and time elapsed between deployment of resources and realisation in cash and cash equivalents of the consideration for such a services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under Indirect method.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements is in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a) Revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. 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 each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c) Impairment of investments in subsidiaries

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

d) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e) Provisions of Income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period

f) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

g) Employee benefits

The accounting of employee benefit plan is in the nature of defined contribution and have been explained under employee benefits note.

h) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5. RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of CorporateAffairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.On March 23, 2022, MCA amended the Companies Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework)issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS103.The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprisesthe' costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind As 106- Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

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6. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition

(a) Investments

Investments consists of the following:

Investments -Non-current

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Investment in subsidiaries		
Fully paid equity shares (unquoted)	**195,118,930**	191,808,931
	195,118,930	191,808,931

Aggregate value of unquoted investments is as follows:

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Aggregate value of unquoted investments	**195,118,930**	191,808,931

Amount in EUR

In Numbers	Currency	Face value per share	Investment in subsidiaries	As at March 31, 2022	As at March 31, 2021
			Fully paid equity shares (unquoted)		
14,867,651	EUR	0.03	Tata Consultancy Services France S.A.	**102,265,680**	102,265,680
150,000	CHF	10	Tata Consultancy Services Switzerland Ltd	**63,648,300**	63,648,300
60,200	EUR	1	Tata Consultancy Services De Espana SA	**17,000,000**	17,000,000
5,599	EUR	1000	Tata Consultancy Services Luxembourg S.A.	**5,599,000**	5,599,000
-	EUR	-	Tata Consultancy Services Italia SRL	**2,200,000**	2,200,000
1,000	SAR	3750	Tata Consultancy Services Saudi Arabia	**898,382**	898,382
10,000	DKK	100	Tata Consultancy Services Danmark ApS	**134,568**	134,568
-	EUR	-	Tata Consultancy Services Osterreich GmbH	**35,000**	35,000
25,000	EUR	1	TCS Business Services GmbH	**28,000**	28,000
1	EUR	3,310,000	TCS Technology Solutions AG	**3,310,000**	1
18,000	-	1	Suadi Desert Rose B.V.	**-**	-
				195,118,930	191,808,931

Tata Consultancy Services France S.A, (TCS France) 100% Subsidiary has a negative net equity value as on 31st March 2022. The carrying value of the investment in the Company, as on 31st March 2022 has not been impaired, because the entity is believed to be able to recover from its negative net equity in the foreseeable future. The recoverable amount was estimated based on both its net realisable value and its value in use basis the assessment in 2021-22 was determined to be in excess of its carrying value of the investment, consequentially no impairment loss was recognised in the profit and loss account of the company.

The Company has also committed, vide letter dated May 13, 2022 addressed to the management and auditors of TCS France to provide sufficient financial support to enable the TCS France to meet it's liabilities fall due till September 2021. Further, the entire loan outstanding as on 31st March 2020 of EUR 12,000,000 was paid off to the Company in December 2020.

As per Joint Venture (JV) Scheme with a JV partner, Investments in Tata Consultancy Services Saudi Arabia ('TCS Saudi') held by JV Partner in Saudi Desert Rose Holdings B.V. ('SDR') to the etent of 24% (240 shares) is to be transferred to the Company and 100% share capital of SDR was to be acquired by the Parent Company. During the year as per the said JV Scheme, 100% share capital of SDR has been acquired by the Company and investment by SDR in TCS Saudi would ultimately be merged with the parent Company, which is pending.

(b) Trade Receivables

Trade receivables (unsecured) consist of following:

Trade Receivables -Current

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
(a) Considered Good	**165,468,425**	122,570,208
Less : Allowance for doubtful trade receivables	**(89,717)**	(91,060)
	165,378,708	122,479,149

Above balances of trade receivables includes balance with related parties (Refer Note 20)

Ageing for trade receivables - current outstanding:

Trade Receivables

Ageing for trade receivables - billed – current outstanding as at March 31, 2022 is as follows:

Amount in EUR

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed							
Undisputed trade receivables – considered good	**141,420,943**	**19,710,935**	**2,771,651**	**-**	**1,564,896**	**-**	**165,468,425**
	141,420,943	**19,710,935**	**2,771,651**	**-**	**1,564,896**	**-**	**165,468,425**
Less: Allowance for doubtful trade receivables - Billed							**(89,717)**
							165,378,708
Trade receivables - Unbilled							**37,624,483**
							203,003,191

Ageing for trade receivables - billed – current outstanding as at March 31, 2021 is as follows:

Amount in EUR

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade receivables - Billed							
Undisputed trade receivables – considered good	100,159,643	21,176,067	-	1,234,499	-	-	122,570,209
	100,159,643	21,176,067	-	1,234,499	-	-	122,570,209
Less: Allowance for doubtful trade receivables - Billed							(91,060)
							122,479,149
Trade receivables - Unbilled							24,179,715
							146,658,864

(c) Cash and cash equivalents

Cash and cash equivalents consist of the following:

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	**14,495,745**	40,462,940
In Fixed Deposits	**20,774,896**	-
	35,270,641	40,462,940

(d) Loans receivables

Loans receivables (unsecured) consist of the following:

Loans receivables-Current

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Considered Good		
Loans and advances to employees	**1,357,291**	402,658
Loans to Subsidiaries - Current	**1,500,000**	
	2,857,291	402,658

(e) Other financial assets

Other financial assets consist of the following:

Other financial assets - Non-current

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Security deposits	**595,634**	595,475
	595,634	595,475

Other financial assets - Current

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Others	**6,061,057**	1,499,110
	6,061,057	1,499,110

(f) Trade Payables

Trade payables consist of the following:

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
(a) Accrued expenses	**50,809,177**	45,690,746
(b) Trade and other payables	**59,090,918**	16,181,190
	109,900,095	61,871,936

Above balances of trade payables includes balance with related parties (Refer Note 19)

Ageing for trade receivables - current outstanding:

Trade Payables

Ageing for trade payables outstanding as at March 31, 2022 is as follows::

Amount in EUR

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade payables						
Others	**11,280,345**	**47,217,130**	**593,444**	-	-	**59,090,918**
	11,280,345	**47,217,130**	**593,444**	-	-	**59,090,918**
Accrued expenses						**50,809,177**
						109,900,095

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Trade payables						
Others	**15,201,340**	**979,850**	**593,444**	**-**	**-**	**16,181,190**
	15,201,340	**979,850**	**593,444**	**-**	**-**	**16,181,190**
Accrued expenses						**45,690,746**
						61,871,936

(g) Other financial liabilities - Current

Other financial liabilities consist of the following:

Amount in EUR

		As at March 31, 2022	As at March 31, 2021
(a)	Accrued payroll	**7,754,948**	5,499,777
(b)	Capital creditors	**282,420**	173,983
(c)	Liability towards customer contracts	**4,699,832**	3,874,177
(d)	Others	**219,778**	225,435
		12,956,978	9,773,371

(h) Financial Instrument by Category

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

Amount in EUR

	Amortised cost	Total carrying value
Financial assets:		
Cash and cash equivalents	**35,270,641**	**35,270,641**
Trade receivables	**165,378,708**	**165,378,708**
Unbilled revenues	**37,624,483**	**37,624,483**
Short term Loans	**2,857,291**	**2,857,291**
Other financial assets	**6,656,692**	**6,656,692**
Total	**247,787,817**	**247,787,817**
Financial liabilities:		
Trade payables	**109,900,095**	**109,900,095**
Lease Liabilities	**8,005,185**	**8,005,185**
Other financial liabilities	**13,012,124**	**13,012,124**
Total	**130,917,405**	**130,917,405**

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The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

Amount in EUR

	Amortised cost	Total carrying value
Financial assets:		
Cash and cash equivalents	40,462,940	40,462,940
Trade receivables	122,479,149	122,479,149
Unbilled revenues	24,179,715	24,179,715
Short term Loans	402,658	402,658
Other financial assets	2,094,586	2,094,586
Total	189,619,048	189,619,047
Financial liabilities:		
Trade payables	61,871,936	61,871,936
Lease liabilities	6,724,838	6,724,838
Other financial liabilities	9,773,371	9,773,371
Total	78,370,145	78,370,145

(i) 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 consist 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 for assets or liabilities that are not based on observable market data (unobservable inputs).

There are no financial liabilities or assets measured at fair value at the end of each reporting period.

(j) Financial risk management:

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Company operates , its operations are subject to risk arising from fluctations in exchange rates in those countries.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Its hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all currencies by 10 percent against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which could affect the statements of profit and loss and equity.

The following table sets forth information relating to unhedged foreign currency exposure as of March 31, 2022:

Amount in EUR

	USD	EUR	GBP	Others	Total
Assets :					
Cash and cash equivalents	**-**	**34,759,923**	**-**	**510,718**	**35,270,641**
Trade receivables	**34,905,649**	**116,997,011**	**2,466,939**	**11,009,109**	**165,378,708**
Unbilled revenues	**7,628,329**	**29,552,631**	**63,918**	**379,606**	**37,624,483**
Other financial assets	**258,122**	**6,273,234**	**-**	**125,336**	**6,656,692**
Total	**42,792,099**	**187,582,799**	**2,530,857**	**12,024,769**	**244,930,523**
Liabilities :					
Trade payables	**17,313,711**	**90,603,426**	**660,881**	**1,322,079**	**109,900,095**
Lease liabilities	**-**	**8,024,743**	**-**	**(19,558)**	**8,005,185**
Other financial liabilities	**645,501**	**12,283,778**	**23,373**	**59,472**	**13,012,124**
Total	**17,959,211**	**110,911,947**	**684,254**	**1,361,992**	**130,917,405**
Net exposure asset/(liability)	**24,832,888**	**76,670,852**	**1,846,603**	**10,662,777**	**114,013,118**

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately EUR 3,734,227 for the year ended March 31, 2022

The following table sets forth information relating to unhedged foreign currency exposure as of March 31, 2021

Amount in EUR

	USD	EUR	GBP	Others	Total
Assets :					
Cash and cash equivalents	17,588,849	22,059,600	-	814,490	40,462,940
Trade receivables	16,979,297	93,603,882	1,507,873	10,388,097	122,479,149
Unbilled revenues	2,800,275	20,805,110	385,722	188,609	24,179,715
Other financial assets	606,243	1,745,664	-	145,336	2,497,243
Total	37,974,664	138,214,257	1,893,595	11,536,532	189,619,047
Liabilities :					
Trade payables	3,833,193	56,096,762	836,752	1,105,230	61,871,937
Lease liabilities	-	6,723,881	-	957	6,724,838
Other financial liabilities	952,359	8,243,123	18,399	559,490	9,773,372
Total	4,785,552	71,063,766	855,151	1,665,677	78,370,147
Net exposure asset/(liability)	33,189,113	67,150,490	1,038,444	9,870,855	111,248,900

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately EUR 4,409,841 for the year ended March 31, 2021

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(b) Interest rate risk

The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables (PY unbilled revenue), investments, cash and cash equivalents, bank deposits and other financial assets.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was EUR 244,930,523 and EUR 189,216,388 as of March 31, 2022 and March 31, 2021 , respectively, being the total of the carrying amount of balances with banks, trade receivables, unbilled receivables(previous year: Unbilled Revenue) and other financial assets excluding equity.

The following customers form more than 10% of outstanding trade receivable, unbilled receivables and contract assets as at March 31, 2022 and March 31, 2021 are as follows.

	As at March 31, 2022		As at March 31, 2021	
	Total Trade receivables, Unbilled receivables and Contact assets	Percentage	Total Trade receivables, Unbilled receivables and Contact assets	Percentage
Customer A	**26,016,806**	**12%**	27,123,606	17%
Customer B	**25,560,749**	**12%**	25,196,328	16%
Customer C	**18,293,925**	**9%**	10,939,518	7%

Geographic concentration of credit risk

The Company is not exposed to the risk as the customer base of Company is concentrated in Netherlands.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as of:

Amount in EUR

As at March, 31 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th years	Total
Non-derivative financial liabilities:					
Trade payables	**109,900,095**	**-**	**-**	**-**	**109,900,095**
Lease Liabilities	**2,185,313**	**1,953,662**	**4,137,993**	**-**	**8,276,968**
Other financial liabilities	**12,911,347**	**-**	**-**	**45,632**	**12,956,978**
Total	**124,996,755**	**1,953,663**	**4,137,993**	**45,632**	**131,134,042**

Amount in EUR

As at March, 31 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th years	Total
Non-derivative financial liabilities:					
Trade payables	61,881,980	-	-	-	61,881,980
Lease Liabilities	1,958,991	1,450,193	2,981,222	622,412	7,012,818
Other financial liabilities	9,549,140	7,139	-	25,566	9,581,846
Total	73,390,111	1,457,331	2,981,222	647,978	78,476,643

Other risk-Impact of COVID 19

Trade receivables of EUR 165.37 million as at March 31, 2022 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable. The Company has specifically evaluated the potential impact with respect to customers in Retail, Travel, Transportation and Hospitality, Manufacturing and Energy verticals which could have an immediate impact and the rest which could have an impact with a lag. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no-recourse basis, recognition of revenue on collection basis etc., depending on severity of each case..

(k) Equity Instrument

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
(i) Authorised :		
66,000 equity shares of EUR 1000 each (March 31, 2020 : 66,000 equity shares of EUR 1,000 each)	**66,000,000**	66,000,000
	66,000,000	66,000,000
(ii) Issued, subscribed and paid up:		
66,000 equity shares of EUR 1000 each (March 31, 2020 : 66,000 equity shares of EUR 1,000 each)	**66,000,000**	66,000,000
	66,000,000	66,000,000

Note:

Shares held by the promoters

Amount in EUR

Promoter Name	As at March 31, 2022	As at March 31, 2021
Tata Consultancy Services Limited		
No. of Shares	**1,000**	1,000
% of total shares	**100%**	100%
% Change during the year	**0%**	0%

Amount in EUR

Promoter Name	As at March 31, 2021	As at March 31, 2020
Tata Consultancy Services Limited		
No. of Shares	1,000	1,000
% of total shares	100%	100%
% Change during the year	0%	0%

i) Reconciliation of number of shares

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Equity shares		
Opening balance	**66,000**	66,000
Changes during the year	**-**	-
Closing balance	**66,000**	66,000

ii) Details of shares held by shareholders holding more than 5 percent of the aggregate shares in the Company

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Equity shares		
Tata Consultancy Services Limted (Holding Company)	**66,000**	66,000
% of shareholding	**100%**	100%

iii) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares which is an 100 percent investment by Tata Consultancy Services Limited. Since Tata Consultancy Services Limted is the only shareholder for the Company, it carry a right to dividend and also in the event of liquidation, Tata Consultancy Services Limited is eligible to receive the remaining assets of the Company.

7. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 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 recognized as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follow:

Amount in EUR

Description	ROU Leasehold Building	ROU Automobiles	Total
Opening balance as per April 1,2021	**6,558,563**	**2,538,685**	**9,097,248**
Additions	**2,431,374**	**871,162**	**3,302,536**
Disposals	**(38,978)**	**(58,031)**	**(97,009)**
Deletions due to lease modification	**-**	**-**	**-**
Cost as at March 31, 2022	**8,950,959**	**3,351,816**	**12,302,774**
Accumulated depreciation as at April 1, 2021	**(1,990,542)**	**(757,087)**	**(2,747,629)**
Depreciation expense for the year	**(1,197,374)**	**(836,579)**	**(2,033,952)**
Eliminated on disposals of assets	**38,978**	**58,031**	**97,009**
Deletions due to lease modification	**-**	**-**	**-**
Accumulated depreciation as at March 31, 2022	**(3,148,938)**	**(1,535,635)**	**(4,684,573)**
Net Carrying amount as at March 31, 2022	**5,802,020**	**1,816,181**	**7,618,202**

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Amount in EUR

Description	ROU Leasehold Building	ROU Automobiles	Total
Opening balance as per April 1,2020	6,602,674	982,839	7,585,514
Additions	32,124	1,893,211	1,925,334
Disposals	(76,235)	(220,692)	(296,927)
Deletions due to lease modification	-	(116,673)	(116,673)
IFRS 16 transition impact	-	-	-
Cost as at March 31, 2021	6,558,563	2,538,685	9,097,248
Accumulated depreciation as at April 1, 2020	(875,794)	(411,341)	(1,287,135)
Depreciation expense for the year	(1,190,984)	(627,002)	(1,817,986)
Eliminated on disposals of assets	76,235	220,692	296,927
Deletions due to lease modification	-	60,564	60,564
Accumulated depreciation as at March 31, 2021	(1,990,542)	(757,087)	(2,747,629)
Net Carrying amount as at March 31, 2021	4,568,020	1,781,597	6,349,618

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

Amount in EUR

Description	Year Ended March 31, 2022	Year Ended March 31, 2021
Leasehold Building	**1,197,374**	1,190,984
Automobiles	**836,579**	627,002
Total	**2,033,952**	1,817,986

Interest on lease liabilities is 102,796 Euro for the year year ended March 31, 2022

Lease contracts entered by the Company majorly pertains for buildings and vehicles taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Impact of COVID 19

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as delivery centers/sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

8. NON-FINANACIAL 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 value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Notes forming part of the Financial Statement

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Leasehold improvements	5 years
Plant and equipment	10 years
Computer equipment	4 years
Office equipment	5 years
Electrical installations	10 years
Furniture and fixtures	5 years

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Property, plant and equipment consist of the following:

Amount in EUR

Description	Computer Equipment	Leasehold Improvements	Furniture and Fixtures	Office equipment	Electrical installations	Total
Cost as at April 1, 2021	**2,623,551**	**2,325,511**	**1,315,240**	**1,034,891**	**471,834**	**7,771,027**
Additions	**683,250**	**-**	**14,252**	**118,920**	**2,864**	**819,285**
Disposals	**(311,459)**	**-**	**-**	**-**	**-**	**(311,459)**
Cost as at March 31, 2022	**2,995,342**	**2,325,511**	**1,329,492**	**1,153,811**	**474,698**	**8,278,854**
Accumulated depreciation as at April 1, 2021	**(1,620,933)**	**(663,321)**	**(681,458)**	**(203,156)**	**(20,290)**	**(3,189,158)**
Depreciation expense for the year	**(484,763)**	**(288,241)**	**(164,258)**	**(236,071)**	**(47,470)**	**(1,220,804)**
Eliminated on disposals of assets	**311,459**	**-**	**-**	**-**	**-**	**311,458**
Accumulated depreciation as at March 31, 2022	**(1,794,237)**	**(951,562)**	**(845,716)**	**(439,228)**	**(67,760)**	**(4,098,504)**
Net Carrying amount as at March 31, 2022	**1,201,104**	**1,373,949**	**483,775**	**714,583**	**406,938**	**4,180,353**

Amount in EUR

Description	Computer Equipment	Leasehold Improvements	Furniture and Fixtures	Office equipment	Electrical installations	Total
Cost as at April 1, 2020	1,985,151	548,025	821,068	66,519	13,477	3,434,240
Additions	638,400	1,777,486	494,172	968,372	458,357	4,336,787
Disposals	-	-	-	-	-	-
Cost as at March 31, 2021	2,623,551	2,325,511	1,315,240	1,034,891	471,834	7,771,027
Accumulated depreciation as at April 1, 2020	(1,229,849)	(548,024)	(549,976)	(24,477)	(998)	(2,353,324)
Depreciation expense for the year	(391,084)	(115,297)	(131,482)	(178,679)	(19,292)	(835,834)
Accumulated depreciation as at March 31, 2021	(1,620,933)	(663,321)	(681,458)	(203,156)	(20,290)	(3,189,158)
Net Carrying amount as at March 31, 2021	1,002,618	1,662,190	633,782	831,735	451,544	4,581,871

Ageing for Capital work-in-progress

Amount in EUR

	Year Ended March 31, 2022	Year Ended March 31, 2021
Less than a year		
Project 1	**50,418**	-
Project 2	**511,970**	210,972
Project 3	**349**	=
Project 4	**142**	142
	562,878	211,114

(b) Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Intangible assets consist of the following:

Amount in EUR

Description	Software licences
Cost as at April 1, 2021	**4,198,486**
Additions	**-**
Disposals	**(3,179,924)**
Cost as at March 31, 2022	**1,018,562**
Accumulated amortisation as at April 1, 2021	**(804,681)**
Amortisation expense for the year	**(254,641)**
Reversal on Disposals	**227,804**
Accumulated amortisation as at March 31, 2022	**(831,518)**
Net Carrying amount as at March 31, 2022	**187,044**

Amount in EUR

Description	Software licences
Cost as at April 1, 2020	858,684
Additions	3,339,802
Disposals	-
Cost as at March 31, 2021	4,198,486
Accumulated amortisation as at April 1, 2020	(332,023)
Amortisation expense for the year	(472,658)
Accumulated amortisation as at March 31, 2021	(804,681)
Net Carrying amount as at March 31, 2021	3,393,805

The estimated amortisation for the years subsequent to March 31, 2022 is as follows:

Amount in EUR

Year ending March 31,	Amortisation expenses
2023	**1 37 288**
2024	**39 969**
2025	**9 787**
Total	**187,044**

(c) Other assets

Other assets consist of the following:

Other assets - Non-current

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Contract assets	**634,853**	2,620,228
Contract fulfillment costs	**30,150**	296,830
	665,003	2,917,058

Other assets - Current

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Considered Good		
Contract assets	**10,612,950**	12,535,338
Prepaid expenses	**12,499,149**	14,340,571
Tax Credit Entitlements	**21,186**	26,188
Contract fulfillment costs	**3,966,766**	2,681,142
Advance to suppliers	**403,144**	286,115
Others	**68,350**	67,175
	27,571,545	29,936,530

Contract fulfillment costs of EUR 8,685,056 for the years ended March 31, 2022 have been amortised in the statement of profit and loss. Refer note 10 for the changes in contract asset.

(d) Provisions

Provisions consist of the following:

Provisions - Current

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Provision for foreseeable loss	**106,032**	253,403
	106,032	253,403

(e) Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Indirect tax payable and other statutory liabilities	**20,094,989**	7,478,172
Advance received from customers	**636,960**	3,581,938
	20,731,949	11,060,110

9. OTHER EQUITY

Other equity consist of the following:

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Retained earnings		
(i) Opening balance	**259,923,444**	265,230,428
(ii) Profit for the year	**61,623,661**	39,907,637
(iii) Effect of change in lease term pertaining to earlier years of Ind AS 116	**-**	(214,620)
(iv) Less : Appropriations		
(a) Dividend on equity shares	**(75,000,000)**	(45,000,000)
	246,547,105	259,923,444

10. REVENUE

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method (POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The

contract costs used in computing the revenues include cost of fulfilling warranty obligations.

- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue 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 is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Consultancy services	**683,130,156**	618,547,166
Sale of equipment and software licences	**4,098,626**	4,521,110
Total	**687,228,782**	623,068,276

Revenue disaggregation by industry vertical is as follows:

Industry Verticals

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Banking, Financial Services and Insurance	**184,883,678**	184,153,964
Manufacturing	**48,977,546**	48,342,301
Retail and Consumer Business	**62,344,998**	45,106,097
Hi-Tech	**207,431,265**	184,189,091
Energy & utilities	**107,644,368**	101,059,988
Others	**75,946,927**	60,216,835
Total	**687,228,782**	623,068,276

Revenue disaggregation by geography is as follows:

Geography

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Europe	**665,227,715**	152,102,430
America	**14,803,750**	2,742,517
Others	**7,197,316**	468,223,329
Total	**687,228,782**	623,068,276

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is EUR 740 million out of which 42.56 percent is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in Contract assets are as follows :

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**15,155,567**	16,976,317
Revenue recognised during the year	**5,244,451**	7,812,279
Invoices raised during the year	**(9,187,531)**	(9,615,768)
Translation exchange difference	**35,317**	(17,261)
Balance at the end of the year	**11,247,803**	15,155,567

Changes in Unearned and deferred revenue are as follows :

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**7,870,441**	11,009,144
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**(7,666,494)**	(10,613,698)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**13,928,474**	7,726,019
Translation exchange difference	**63,750**	(251,024)
Balance at the end of the year	**14,196,170**	7,870,441

Reconciliation of revenue recognized with the Contracted price is as follows :

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Contracted price	**687,228,782**	623,068,276
Reductions towards variable consideration components	**-**	-
Revenue recognised	**687,228,782**	623,068,276

Impact of COVID 19

While the Company believes strongly that it has a rich portfolio of services to partner with customers, the impact on future revenue streams could come from

- the inability of our customers to continue their businesses due to financial resource constraints or their services no longer being availed by their customers
- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
- customers not in a position to accept alternate delivery modes using Secured Borderless Work Spaces
- customers postponing their discretionary spend due to change in priorities

The Company has assessed that customers in Retail, Travel, Transportation and Hospitality, Energy and Manufacturing verticals are more prone to immediate impact due to disruption in supply chain and drop in demand while customers in Banking, Financial Services and Insurance would re-prioritise their discretionary spend in immediate future to conserve resources and assess the impact that they would have due to dependence of revenues from the impacted verticals. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meetings its obligations. Such impact could be in the form of provision for onerous contracts or re-setting of revenue recognition in fixed price contracts where revenue is recognised on percentage-completion-basis. The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions such as engaging with the customers to agree on revised SLAs in light of current crisis, invoking of force-majeure clause etc., to ensure that revenue recognition in such cases reflect realisable values.

11. OTHER INCOME

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

Other Income consist of the following:

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income	**6,703**	176,359
Dividend income	**36,324,379**	17,504,441
Net foreign exchange gains	**1,588,206**	(2,048,583)
Miscellaneous income	**-**	731
	37,919,286	15,632,949
Interest income consist of the following:		
Interest income on bank deposits	**(6,411)**	3,503
Interest income on financial assets at amortised cost	**13,113**	172,856
Interest on income tax refunds	**-**	-

12. EMPLOYEE BENEFIT EXPENSES

Defined contribution plans

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

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Employee benefit expenses consist of the following:

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, incentives and allowances	**169,829,622**	160,237,313
Contributions to social security and other funds	**12,171,767**	8,195,638
Staff welfare expenses	**4,411,856**	5,248,693
	186,413,245	173,681,644

Employee benefit obligation consist of the following:

Employee benefit obligation - Current

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Compensated absences	**4,525,145**	4,953,896
Other empoyee benefit obligations	**148,868**	160,598
	4,674,013	5,114,494

13. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in employee benefit expenses, cost of equipment and software licenses, depreciation and amortisation expense and other expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivable and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

(a) Cost of equipment and software licences

Cost of equipment and software licenses consist of the following:

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Cost of Equipment and software licences	**2,199,076**	3,422,222
	2,199,076	3,422,222

(b) Other expenses

Other expenses consist of the following:

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Fees to external consultants (including subcontractor cost)	**383,809,752**	316,788,485
Facility expenses	**787,014**	972,610
Travel expenses	**2,320,234**	1,970,685
Communication expenses	**23,178,476**	17,470,596
Project expenses*	**2,423,406**	3,133,323
Allowance for doubtful trade receivables and advances (net)	**15,092**	(5,221)
Other expenses **	**49,161,124**	70,766,093
	461,695,097	411,096,571

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****Other expenses**

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Software expenses	**6,482,849**	6,203,605
Corporate overhead allocation	**9,941,833**	8,815,866
Other expenses	**32,736,443**	55,746,622
	49,161,125	70,766,093

14. FINANCE COSTS

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on Lease Liabilities	**104,165**	127,147
Other Interest	**190,443**	228,381
	294,608	355,528

15. INCOME TAX

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense for the entity has been computed based on the tax laws applicable in the jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction provided the Company has a legally enforceable right to set off the recognised amounts and intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

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.

Notes forming part of the Financial Statement

The Income-tax expenses consist of the following:

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
Current tax expense for current year	**9,683,045**	7,133,644
Current tax benefit pertaining to prior years	**-**	-
	9,683,045	7,133,644
Deferred tax		
Deferred tax expense/(benefit) for current year	**(270,391)**	(22,499)
	(270,391)	(22,499)
Total income tax expense recognised in current year	**9,412,654**	7,111,145

The reconciliation of estimated income-tax expenses at statutory income tax rate to the income tax expenses reported in the statement of profit and loss is as follows:

Amount in EUR

	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) before taxes	**71,036,315**	47,018,782
Enacted Income tax rate in Netherlands	**25.80%**	25.00%
Expected Income tax expense	**18,327,369**	11,754,696
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	**(9,371,690)**	(4,376,110)
Income of Subsidiaries taxed at diff tax rates (net)	**(66,471)**	(264,420)
Tax on income at different rates	**(244,825)**	(18,849)
Operating losses carry forwards	**(19,223)**	-
Tax pertaining to prior years:	**3,172**	(113,171)
Tax on non deductible expenses	**148,056**	127,232
2 Tax on CVAE / WHT on dividend from TCS SA	**647,746**	-
Other Temporary difference	**(11,481)**	1,769
	9,412,654	7,111,145

Significant components of net Deferred tax assets and Deferred tax liabilities recognized as of 31 March 2022 and 31 March 2021

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Particulars		
Deferred tax liabilities in relation to		
Provision for employee benefits	**(449,804)**	(640,892)
Others (Netting off)	**102,435**	102,435
Net Deferred tax liability at the end of the year	**(347,368)**	(538,457)

Gross deferred tax assets and liabilities are as follows:

Amount in EUR

	Balance Sheet		Statement of profit and loss	
	As at		For the period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Deferred tax assets	**79,303**	102,435	**23,132**	-
Deferred tax liabilities	**347,369**	640,892	**293,523**	(73,766)
Net Deferred tax assets/(liabilities) recognized	**(268,066)**	(538,457)	**(191,088)**	73,766

The following table provides the details of Income tax assets and income tax liabilities recognized as of 31 March 2022 and 31 March 2021

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Particulars		
Income tax assets	**302,317**	340,034
Income tax liabilities	**(553,348)**	5,190
Net income tax assets / (liabilities) at the end of the year	**(251,031)**	345,224

16 EARNINGS PER SHARE (EPS)

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Profit/(loss) for the year (EUR)	**61,623,661**	39,907,637
Weighted average number of equity shares	**66,000**	66,000
Earnings per share basic and diluted (EUR)	**934**	605
Face value per equity share	**1,000**	1,000

17. AUDITORS REMUNERATION

Amount in EUR

	As at March 31, 2022	As at March 31, 2021
Services as statutory auditors	**49,500**	157,584
	49,500	157,584

18. SEGMENT INFORMATION

The Company publishes the standalone financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

19. COMMITMENTS AND CONTINGENCIES

Capital Commitments

The Company has contractually committed (net of advances) EUR 181,044 as at March 31, 2022 and EUR 108,499 as at March 31, 2021 for purchase of property, plant and equipment.

20. RELATED PARTY TRANSACTIONS

Tata Consultancy Services Netherlands B.V's principal related parties consist of its holding Company Tata Consultancy Services Limited and its subsidiaries, its own subsidiaries and ultimate holding Company Tata Sons Private Limited. Company routinely enters into transactions with its related parties in the ordinary course of business.

Related Party Reporting for FY 2021-22

Amount in EUR

	Year ended March 31, 2022				
	Tata Consultancy Services Limited	Subsidiaries of Tata Consultancy Services Limited	Subsidiaries of the Company	Tata Sons Private Limited	Total
I. Transactions					
Revenue	**21,404,595**	**13,798,421**	**6,751,128**	**-**	**41,954,143**
Purchase of goods and services	**386,312,732**	**19,746,335**	**4,354,247**	**-**	**410,413,314**
Brand equity contribution	**-**	**-**	**-**	**1,613,260**	**1,613,260**
Interest income	**-**	**13,093**	**-**	**-**	**13,093**
Dividend received	**-**	**-**	**36,324,379**	**-**	**36,324,379**
Dividend paid	**75,000,000**	**-**	**-**	**-**	**75,000,000**
	As at March 31, 2022				
II. Balances					
Trade receivables and unbilled receivables	**12,140,513**	**4,188,008**	**2,624,664**	**-**	**18,953,185**
Loans given		**1,500,000**			**1,500,000**
Other receivables	**2,643,052**	**82,901**	**17,387**	**-**	**2,743,339**
Prepaid Assets	**7,889,170**	**56,916**	**13,053**	**-**	**7,959,139**
Trade payables, unearned and deferred revenue and other liabilities	**71,910,916**	**7,154,498**	**2,720,702**	**1,613,676**	**83,399,792**

Related Party Reporting for FY 2020-21

Amount in EUR

	Tata Consultancy Services Limited	Subsidiaries of Tata Consultancy Services Limited	Subsidiaries of the Company	Tata Sons Private Limited	Total
	Year ended March 31, 2021				
I. Transactions					
Revenue	14,109,920	11,615,889	5,891,872	-	31,617,681
Purchase of goods and services	365,032,235	14,443,418	3,169,212	-	382,644,866
Brand equity contribution	-	-	-	1,479,042	1,479,042
Interest income	-	-	172,856	-	172,856
Dividend received	-	-	9,505,870	-	9,505,870
Dividend paid	45,000,000	-	-	-	45,000,000
Loans and advances recovered	-	-	12,000,000	-	12,000,000
	As at March 31, 2021				
II. Balances					
Trade receivables and unbilled receivables	10,777,180	3,834,217	2,474,531	-	17,085,929
Loans given	-	-	-	-	-
Other receivables	1,422,454	70,950	5,705	-	1,499,110
Interest accrued on loans given	-	-	-	-	-
Prepaid Assets	11,785,382	6,989	7,728	-	11,800,099
Trade payables, unearned and deferred revenue and other liabilities	35,381,527	4,047,135	1,886,021	1,472,400	42,787,084

21. SUBSEQUENT EVENT

There are no subsequent event post 31 March 2021, which will have material effect on the financial statement.

As per our report of even date attached

For KBJ & Associates
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889
Mumbai, May 13, 2022

For and on behalf of the Board of Directors
of Tata Consultancy Services Netherlands B.V.

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

TCS IBEROAMERICA S.A.

Separate Financial Statements

For the year ended
March 31, 2022

SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF
TCS IBEROAMERICA S.A.

Opinion

We have audited the separate financial statements of TCS Iberoamerica S.A. (the "Company"), which comprise the separate statement of financial position as of March 31st, 2022, the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of TCS Iberoamerica S.A. as of March 31st, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate financial statements in Uruguay, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether TCS Iberoamerica S.A.'s separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Montevideo, Uruguay
May 12th, 2022

Separate Statement of Financial Position

	Note	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		(in US Dollars)		(equivalent in Uruguayan Pesos)	
ASSETS					
Current assets					
Cash and cash equivalents	8 (a)	**44.546**	1.172.751	**1.831.491**	51.820.333
Other current financial assets		**4.503.340**	-	**185.154.824**	-
Other assets	9 (a)	**3.237**	4.605	**133.107**	203.437
Total current assets		**4.551.123**	1.177.356	**187.119.422**	52.023.770
Non-current assets					
Investments	8 (b)	**242.522.270**	292.391.283	**9.971.303.143**	12.919.893.590
Income tax assets (net)		**-**	1.026	**-**	45.350
Total non-current assets		**242.522.270**	292.392.309	**9.971.303.143**	12.919.938.940
TOTAL ASSETS		**247.073.393**	293.569.665	**10.158.422.565**	12.971.962.710
LIABILITIES AND EQUITY					
Liabilities					
Current liabilities					
Trade and other payables	8 (c)	**10.127**	9.876	**416.371**	436.369
Other financial liabilities	8 (d)	**-**	945.494	**-**	41.778.554
Income tax liabilities (net)		**31.802**	-	**1.307.550**	-
Other liabilities	9 (b)	**48.495**	17.608	**1.993.869**	778.024
Total current liabilities		**90.424**	972.978	**3.717.790**	42.992.947
TOTAL LIABILITIES		**90.424**	972.978	**3.717.790**	42.992.947
Equity:					
Share capital	8 (h)	**98.418.354**	98.418.354	**2.122.783.424**	2.122.783.424
Legal reserve		**15.044.947**	15.044.947	**424.601.685**	424.601.685
Other reserves		**(74.665.719)**	(85.656.439)	**2.056.639.646**	2.333.100.382
Retained earnings		**208.185.387**	264.789.825	**5.550.680.020**	8.048.484.272
Total equity		**246.982.969**	292.596.687	**10.154.704.775**	12.928.969.763
TOTAL LIABILITIES AND EQUITY		**247.073.393**	293.569.665	**10.158.422.565**	12.971.962.710

SEE ACCOMPANYING NOTES TO SEPARATE FINANCIAL STATEMENTS

Separate Statement of Profit or Loss and Other Comprehensive Income

	Note	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
		(in US Dollars)		(equivalent in Uruguayan Pesos)	
Consultancy services		**-**	-	**-**	-
TOTAL REVENUES		**-**	**-**	**-**	-
Operating expenses					
Other operating expenses	10	**93.721**	35.272	**3.902.177**	1.548.126
TOTAL OPERATING EXPENSES		**93.721**	35.272	**3.902.177**	1.548.126
TOTAL OPERATING RESULT		**93.721**	35.272	**3.902.177**	1.548.126
Investment revenue	11 (a)	**6.923**	526	**293.000**	22.694
Share of profit of equity – accounted investees, net of tax	8 (b)	**39.782.738**	86.319.886	**1.735.112,910**	3.696.973.974
Other gains (losses), net	11 (c)	**(726.011)**	364.856	**(32.085.224)**	15.567.908
Finance costs	11 (b)	**(7.101)**	-	**(307.650)**	-
Other income / (expense), net		**39.056.549**	86.685.268	**1.703.013.036**	3.712.564.576
PROFIT BEFORE TAXES		**38.962.828**	86.649.996	**1.699.110.859**	3.711.016.450
Income tax expense	12	**4.167.266**	453.505	**182.689.311**	19.368.712
PROFIT FOR THE YEAR		**34.795.562**	86.196.491	**1.516.421.548**	3.691.647.738
Items that are or may be reclassified to profit or loss					
Translation adjustment	8 (b)	**8.887.771**	25.985.802	**(365.585.413)**	1.481.418.484
Employee benefit movement	8 (b)	**2.102.949**	(1.278.799)	**86.462.744**	(56.506.310)
Conversion adjustment		**-**	-	**2.661.933**	(232.995)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**45.786.282**	110.903.494	**1.239.960.812**	5.116.326.917

SEE ACCOMPANYING NOTES TO SEPARATE FINANCIAL STATEMENTS

Separate Statement of Changes in Equity

(in US Dollars)

	Note	Equity share capital	Legal reserves	Other reserves	Retained earnings	Total equity
Balance as of March 31, 2020		98.418.354	14.894.437	(110.363.442)	228.743.844	231.693.193
Profit for the year		-	-	-	86.196.491	86.196.491
Dividend	5 (c)	-	-	-	(50.000.000)	(50.000.000)
Transfer to legal reserve	5 (a)	-	150.510	-	(150.510)	-
Other comprehensive income		-	-	24.707.003	-	24.707.003
Balance as of March 31, 2021		98.418.354	15.044.947	(85.656.439)	264.789.825	292.596.687
Other Changes in Retained Earnings of subsidiaries	8 (b)	**-**	**-**	**-**	**-**	**-**
Balance as of April 1, 2021		**98.418.354**	**15.044.947**	**(85.656.439)**	**264.789.825**	**292.596.687**
Profit for the year		**-**	**-**	**-**	**34.795.562**	**34.795.562**
Dividend	5 (c)	**-**	**-**	**-**	**(91.400.000)**	**(91.400.000)**
Other comprehensive income		**-**	**-**	**10.990.720**	**-**	**10.990.720**
Balance as of March 31, 2022		**98.418.354**	**15.044.947**	**(74.665.719)**	**208.185.387**	**246.982.969**

SEE ACCOMPANYING NOTES TO SEPARATE FINANCIAL STATEMENTS

Separate Statement of Changes in Equity

(equivalent in Uruguayan Pesos)

	Note	Equity share capital	Legal reserves	Other reserves	Retained earnings	Total equity
Balance as of March 31, 2020		2.122.783.424	418.018.271	908.421.203	6.515.409.948	9.964.632.846
Profit for the year		-	-	-	3.691.647.738	3.691.647.738
Dividend	5 (c)	-	-	-	(2.151.990.000)	(2.151.990.000)
Transfer to legal reserve	5 (a)	-	6.583.414	-	(6.583.414)	-
Other comprehensive income		-	-	1.424.912.174	-	1.424.912.174
Translation		-	-	(232.995)	-	(232.995)
Balance as of March 31, 2021		2.122.783.424	424.601.685	2.333.100.382	8.048.484.272	12.928.969.763
Other Changes in Retained Earnings of subsidiaries	8 (b)	**-**	**-**	**-**	**-**	**-**
Balance as of April 1, 2021		**2.122.783.424**	**424.601.685**	**2.333.100.382**	**8.048.484.272**	**12.928.969.763**
Profit for the year		**-**	**-**	**-**	**1.516.421.548**	**1.516.421.548**
Dividend	5 (c)	**-**	**-**	**-**	**(4.014.225.800)**	**(4.014.225.800)**
Other comprehensive income		**-**	**-**	**(279.122.669)**	**-**	**(279.122.669)**
Translation		**-**	**-**	**2.661.933**	**-**	**2.661.933**
Balance as of March 31, 2022		**2.122.783.424**	**424.601.685**	**2.056.639.646**	**5.550.680.020**	**10.154.704.775**

SEE ACCOMPANYING NOTES TO SEPARATE FINANCIAL STATEMENTS

Separate Statement of Cash Flows

	Notes	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
		(in US Dollars)		(equivalent in Uruguayan Pesos)	
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		**34.795.562**	86.196.491	**1.516.421.548**	3.691.647.738
Adjustments to reconcile net income to net cash provided by operating activities					
Income tax expense	12	**4.167.266**	453.505	**182.689.311**	19.368.712
Share of profit of Equity – accounted investees, net of tax and dividend		**57.724.130**	(34.927.155)	**2.532.362.235**	(1.484.457.254)
Unrealized exchange (gain) / loss		**294**	4.285	**13.019**	181.470
Net change in					
Other assets (current and non-current)		**1.368**	1.501	**70.330**	59.160
Other current financial assets		**(103.340)**	-	**(4.248.824)**	-
Trade and other payables		**251**	(210.734)	**(19.998)**	(9.051.621)
Other liabilities (current and non-current)		**30.887**	16.816	**1.215.845**	743.972
Other financial liabilities (current)		**(945.494)**	(404.976)	**(41.778.554)**	(16.302.463)
cash generated from operations		**95.670.924**	51.129.733	**4.186.724.912**	2.202.189.714
Taxes paid		**(558)**	(928)	**(131.744)**	(39.224)
Net cash provided by operating activities		**95.670.366**	51.128.805	**4.186.593.168**	2.202.150.490
CASH FLOWS FROM INVESTING ACTIVITIES					
Capitalizations in subsidiary		**(998.277)**	-	**(44.099. 125)**	-
Net cash used in investing activities		**(998.277)**	-	**(44.099.125)**	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Short term borrowings taken		**600.000**	-	**26.679.000**	-
Short term borrowings repaid		**(600.000)**	-	**(25.393.200)**	-
Loan given to Subsidiary		**(4.400.000)**	-	**(186.216.800)**	-
Dividends paid	5 (c)	**(91.400.000)**	(50.000.000)	**(4.014.225.800)**	(2.151.990.000)
Net cash used in financing activities		**(95.800.000)**	(50.000.000)	**(4.199.156.800)**	(2.151.990.000)
Net change in cash		**(1.127.911)**	1.128.805	**(56.662.757)**	50.160.490
Effect of foreign exchange on cash		**(294)**	(4.285)	**6.673.915**	(414.465)
Cash and cash equivalents, beginning of the year		**1.172.751**	48.231	**51.820.333**	2.074.308
Cash and cash equivalents, end of the year	8 (a)	**44.546**	1.172.751	**1.831.491**	51.820.333
Supplementary cash flow information:					
Dividends received		**97.506.868**	51.392.731	**4.267.475.147**	2.212.516.721
Interest paid		**7.101**	-	**307.650**	-
Interest received		**2.583**	526	**114.001**	22.694

SEE ACCOMPANYING NOTES TO SEPARATE FINANCIAL STATEMENTS

Notes to the Separate Financial Statements

1. CORPORATE INFORMATION

TCS Iberoamerica S.A. is a Limited Company incorporated in Uruguay on November 16th, 2001. In accordance with article 2 of the By-laws the Company's business purpose and main activity are the investment in subsidiaries.

It is currently domiciled at Monte Caseros 2600, in Montevideo, Uruguay.

The share capital reaches USD 98.418.354 (equivalent to 2.122.783.424 Uruguayan Pesos) in the form of registered shares. As at March 31, 2022, Tata Consultancy Services Limited owned 100 Percentage of the Company's equity share capital.

The Company has no direct employees.

The Board of Directors approved the separate financial statements for the year ended March 31, 2022 and authorized for issue on May 12th, 2022

2. STATEMENT OF COMPLIANCE

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB), translated into Spanish, and interpretations prepared by the Interpretations Committee of the International Financial Reporting Standards or the previous Interpretations Committee, in accordance with the Appropriate Accounting Standards in Uruguay pursuant to Decrees 291/014, 292/014 and 124/011.

These separate financial statements of TCS Iberoamerica S.A., for the year ended March 31, 2022, have been prepared in accordance with IAS 27, "Separate Financial Statements" included in International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), applying the exception described in paragraph 4 of IFRS 10, Consolidated Financial Statements. Likewise, these financial statements are exempt from disclosure provisions contained in IFRS 12

3. BASIS OF PREPARATION

The separate financial statements have been prepared on historical cost basis except for the investments in subsidiaries measured at Equity Method and financial instruments which are measured at fair value or amortized cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the 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 Company 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 company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is United States Dollar. 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 recognized in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The Company followed the methodology established in IAS 21 to translate the amounts in United States Dollars (functional currency) into Uruguayan Pesos (presentation currency) which, under these circumstances, is allowed by a resolution of the Internal Audit of the Nation:

- Assets and liabilities for all balances presented (including comparative figures) were translated using exchange rates prevailing at the end of each reporting period (41,115 Uruguayan Pesos = US$ 1 and 44,187 Uruguayan Pesos = US$ 1 was used for March 31, 2022 and 2021 respectively);
- Income and expense items for all statements presented were translated at the exchange rates prevailing on the dates of the transactions or at the average exchange rates for the period.
- Items of equity different from profit or loss for the year were translated at the year-end exchange rate. In particular, in order to maintain the capital in nominal terms as indicated by the legal regulations, the difference between that year end exchange

rate and the ones prevailing on the dates of the transactions were recognized directly in equity as "Other reserves".

The significant accounting policies used in preparation of the separate financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of separate financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the separate 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 recognized in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its separate financial statements:

a. 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.

b. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

c. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the separate financial statements.

d. Impact of COVID-19

Company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets.

5. RESERVES

a. Legal reserve

The legal reserve is a reserve fund created in compliance with article 93 of Law 16.060 for commercial companies, which establishes that no less than 5 Percentage of the net profit for the year should be used to increase the mentioned reserve, until it reaches 20 Percentage of the paid-in capital.

Notes to the Separate Financial Statements

On May 22nd, 2020, Ordinary General Meeting of Shareholders determined to create legal reserve for a total of $ 6.583.414 Uruguayan Pesos (USD 150.510).

As at March 31st, 2022 the balance of legal reserve is 424.601.685 Uruguayan Pesos (USD 15.044.947).

b. Other reserve

The balance of the account corresponds to the difference of exchange in long-term investments, within an equity account as set forth in IAS 21.

c. Distribution of results

On July 15th, 2021, it was determined to distribute dividends for a total of $ 3.070.550.000 Uruguayan Pesos (USD 70.000.000).

On November 12th, 2021, it was determined to distribute dividends for a total of $ 943.675.800 Uruguayan Pesos (USD 21.400.000).

On July 13th, 2020, it was determined to distribute dividends for a total of $ 786.582.000 Uruguayan Pesos (USD 18.000.000).

On November 18th, 2020, it was determined to distribute dividends for a total of $ 1.365.408.000 Uruguayan Pesos (USD 32.000.000).

6. REGISTRATION OF SEPARATE FINANCIAL STATEMENTS

According to Decree 156/16 dated May 30, 2016, commercial companies will not be able to distribute dividends as long as they do not comply with the obligation to register, within the established terms, the separate financial statements to the Auditoría Interna de la Nación (AIN), institution that regulates the commercial companies.

To date, the Company has complied with this obligation for the year ended on March 31, 2021. For the year ended on March 31, 2022 the company has time to comply until September 30, 2022.

7. RECENT ACCOUNTING STANDARDS

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

Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

[1]Effective for annual periods beginning on or after January 1, 2023

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

8. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized 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 recognized in profit or loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue cost.

Notes to the Separate Financial Statements

Impairment of financial assets (other than at fair value)

The Company assesses at each date of statement of financial position whether a financial asset or a Company of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	(in US Dollars)		(equivalent in Uruguayan Pesos)	
Current account balances with banks	**44.546**	22.751	**1.831.491**	1.005.283
Deposits with banks	**-**	1.150.000	**-**	50.815.050
Total	**44.546**	1.172.751	**1.831.491**	51.820.333

b. Investments

Investments in TCS Mexico S.A. de C.V, MGDC SC, TCS Solution Center S.A., TCS Do Brasil Ltda., TCS Argentina S.A., TCS Uruguay S.A., TCS Chile Limitada and Tata Consultancy Services Guatemala S.A. are accounted for using the equity method. Under this method the investment is initially recorded at cost and adjusted thereafter according to the changes in the share of net assets of the investee. The income statement reflects the share of results of operations of the investee that corresponds to the Company.

These separate financial statements are the separate financial statements of TCS Iberoamerica S.A.

For the preparation of the separate financial statements, the Company has used the exemption described in paragraph 4 of IFRS 10, which provides relief whereby a parent need not present consolidated financial statements if it meets particular conditions, including the requirement that its ultimate or any intermediate parent produces consolidated financial statements that are available for public use and comply with IFRSs. The Company meets each and every of such conditions as of March 31, 2022 and March 31, 2021. The Company's financial information is included in the consolidated financial statements of its ultimate Parent, Tata Consultancy Services Limited (India), which have been prepared and presented in accordance with IFRS as issued by the IASB, and can be found at the web site: https://www.tcs.com/investor-relations

Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company is exposed, or has rights to variable returns from its involvements with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are accounted for using the equity method following the provisions of IAS 27 Separate Financial Statements (as amended).

Gains or losses arising from changes in equity of investments are recognized in the statements of profit or loss and other comprehensive income.

Changes in subsidiaries' equity that do not effect income are recognized in the Company in the same way.

Loss of control

When the Company losses control over a subsidiary, it derecognize the assets and liabilities of the subsidiary, and any related no controlled interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Investments consist of the following:

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Investments carried at equity method	(in US Dollars)		(equivalent in Uruguayan Pesos)	
Fully paid equity shares				
Investments in subsidiaries				
i. Tata Consultancy Services Uruguay S.A.	**15.459.690**	13.042.086	**635.625.151**	576.290.642
ii. Tata Consultancy Services Solution Center S.A.	**47.223.602**	46.677.220	**1.941.598.386**	2.062.526.305
iii. Tata Consultancy Services Argentina S.A.	**348.754**	295.382	**14.339.018**	13.052.042
iv. Tata Consultancy Services do Brazil Ltda.	**42.807.873**	27.267.425	**1.760.045.711**	1.204.865.721
v. Tata Consultancy Services Inversiones Chile Ltda.	**58.087.280**	60.543.628	**2.388.258.527**	2.675.241.285
vi. Tata Consultancy Services De Mexico S.A., De C.V.	**80.064.909**	136.780.667	**3.291.868.720**	6.043.927.323
vii. MGDC S.C.	**(2.988.266)**	7.784.875	**(122.862.542)**	343.990.272
viii. Tata Consultancy Services Guatemala S.A.	**1.518.428**	-	**62.430.172**	-
Total Investments	**242.522.270**	292.391.283	**9.971.303.143**	12.919.893.590

March 31, 2022	TCS Solution Center SA	TCS Uruguay SA	TCS Mexico SA de CV	MGDC SC	TCS Inversiones Chile Ltda.	TCS Argentina SA	TCS Guatemala	TCS Brazil Ltda	Total
	(in US Dollars)								
Balance as at March 31, 2021	**46.677.220**	**13.042.086**	**136.780.667**	**7.784.875**	**60.543.628**	**295.382**	**-**	**27.267.425**	**292.391.283**
Retained Earnings	**16.057.245**	**13.883.902**	**(266.067)**	**(10.594.154)**	**11.320.145**	**110.136**	**506.428**	**8.765.103**	**39.782.738**
Translation adjustment	**255.504**	**1.096.779**	**3.983.194**	**(203.637)**	**(2.976.372)**	**(56.764)**	**13.722**	**6.775.345**	**8.887.771**
Dividends	**(15.766.367)**	**(12.563.076)**	**(62.370.000)**	**-**	**(10.941.305)**	**-**	**-**	**-**	**(101.640.748)**
Capitalization	**-**	**-**	**-**	**-**	**-**	**-**	**998.277**	**-**	**998.277**
Other Comprehensive Income - Movement Employee benefit	**-**	**-**	**1.937.115**	**24.651**	**141.184**	**-**	**-**	**-**	**2.102.949**
Other Changes in Retained Earnings	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**
Balance as at March 31, 2022	**47.223.602**	**15.459.690**	**80.064.909**	**(2.988.266)**	**58.087.280**	**348.754**	**1.518.428**	**42.807.873**	**242.522.270**

Notes to the Separate Financial Statements

March 31, 2021	TCS Solution Center SA	TCS Uruguay SA	TCS Mexico SA de CV	MGDC SC	TCS Inversiones Chile Ltda.	TCS Argentina SA	TCS Guatemala	TCS Brazil Ltda	Total
	(in US Dollars)								
Balance as at March 31, 2020	32.946.209	12.104.278	95.636.991	22.234.799	49.416.935	668.122	-	20.222.310	233.229.644
Retained Earnings	16.129.048	40.078.952	32.825.241	(17.261.320)	5.104.392	(247.657)	-	9.691.231	86.319.886
Investment in TCS Argentina included to TCS Uruguay	-	-	-	-	-	-	-	-	-
Translation adjustment	1.901.963	(509.644)	18.227.920	3.135.502	6.001.259	(125.083)	-	(2.646.116)	25.985.802
Dividends	(4.300.000)	(38.631.500)	(8.909.999)	-	-	-	-	-	(51.841.499)
Other Comprehensive Income - Movement Employee benefit	-	-	(999.486)	(324.106)	44.793	-	-	-	(1.278.799)
Other Changes in Retained Earnings	-	-	-	-	(23.751)	-	-	-	(23.751)
Balance As at March 31, 2021	46.677.220	13.042.086	136.780.667	7.784.875	60.543.628	295.382	-	27.267.425	292.391.283

March 31, 2022	TCS Solution Center SA	TCS Uruguay SA	TCS Mexico SA de CV	MGDC SC	TCS Inversiones Chile Ltda.	TCS Argentina SA	TCS Guatemala	TCS Brazil Ltda	Total
	(equivalent in Uruguayan Pesos)								
Balance as at March 31, 2021	**2.062.526.305**	**576.290.642**	**6.043.927.323**	**343.990.272**	**2.675.241.285**	**13.052.042**	**-**	**1.204.865.721**	**12.919.893.590**
Retained Earnings	**700.332.213**	**605.542.452**	**(11.604.417)**	**(462.061.025)**	**493.724.926**	**4.803.555**	**22.087.731**	**382.287.477**	**1.735.112.910**
Translation adjustment	**(138.028.369)**	**3.844.557**	**(84.238.604)**	**(5.805.295)**	**(306.976.953)**	**(3.516.579)**	**(3.756.684)**	**172.892.513**	**(365.585.413)**
Dividends	**(683.231.763)**	**(550.052.500)**	**(2.735.860.050)**	**-**	**(479.535.501)**	**-**	**-**	**-**	**(4.448.679.814)**
Capitalization	**-**	**-**	**-**	**-**	**-**	**-**	**44.099.125**	**-**	**44.099.125**
Other Comprehensive Income - Movement Employee benefit	**-**	**-**	**79.644.469**	**1.013.506**	**5.804.770**	**-**	**-**	**-**	**86.462.744**
Other Changes in Retained Earnings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2022	**1.941.598.386**	**635.625.151**	**3.291.868.720**	**(122.862.542)**	**2.388.258.527**	**14.339.018**	**62.430.172**	**1.760.045.711**	**9.971.303.142**

March 31, 2021	TCS Solution Center SA	TCS Uruguay SA	TCS Mexico SA de CV	MGDC SC	TCS Inversiones Chile Ltda.	TCS Argentina SA	TCS Guatemala	TCS Brazil Ltda	Total
	(Equivalent in Uruguayan Pesos)								
Balance as at March 31, 2020	1.416.950.578	520.580.768	4.113.155.693	956.274.235	2.125.323.561	28.734.584	-	869.721.129	10.030.740.548
Retained Earnings	690.973.534	1.714.140.299	1.408.268.485	(740.545.172)	218.988.618	(10.624.997)	-	415.773.206	3.696.973.974
Investment in TCS Argentina procured to TCS Uruguay	-	-	-	-	-	-	-	-	-
Translation adjustment	140.138.893	7.152.914	947.231.045	142.582.479	329.999.313	(5.057.545)	-	(80.628.614)	1.481.418.484
Dividends	(185.536.700)	(1.665.583.339)	(380.563.596)	-	-	-	-	-	(2.231.683.634)
Other Comprehensive Income - Movement Employee benefit	-	-	(44.164.303)	(14.321.270)	1.979.264	-	-	-	(56.506.310)
Other Changes in Retained Earnings	-	-	-	-	(1.049.472)	-	-	-	(1.049.472)
Balance As at March 31, 2021	2.062.526.305	576.290.642	6.043.927.323	343.990.272	2.675.241.285	13.052.042	-	1.204.865.721	12.919.893.590

c. Trade and other payables

Trade and other payables consist of the following:

Trade and other payables – Current

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	(in US Dollars)		(equivalent in Uruguayan Pesos)	
Accrued expenses	**10.127**	9.876	**416.371**	436.369
Total	**10.127**	9.876	**416.371**	436.369

d. Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Current

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	(in US Dollars)		(equivalent in Uruguayan Pesos)	
Other current financial liabilities (Note 14)	**-**	945.494	**-**	41.778.554
Total	**-**	945.494	**-**	41.778.554

e. Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

	Amortised cost	Total carrying value
	(in US Dollars)	
Financial assets		
Cash and cash equivalents	**44.546**	**44.546**
Other financial assets	**4.503.340**	**4.503.340**
Total	**4.547.886**	**4.547.886**
Financial liabilities		
Trade and other payables	**10.127**	**10.127**
Total	**10.127**	**10.127**

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

	Amortised cost	Total carrying value
	(in US Dollars)	
Financial assets		
Cash and cash equivalents	1.172.751	1.172.751
Total	1.172.751	1.172.751
Financial liabilities		
Trade and other payables	9.876	9.876
Other financial liabilities	945.494	945.494
Total	955.370	955.370

Notes to the Separate Financial Statements

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

	Amortised cost	Total carrying value
	(equivalent in Uruguayan Pesos)	
Financial assets		
Cash and cash equivalents	**1.831.491**	**1.831.491**
Other financial assets	**185.154.824**	**185.154.824**
Total	**186.986.315**	**186.986.315**
Financial liabilities		
Trade and other payables	**416.371**	**416.371**
Total	**416.371**	**416.371**

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

	Amortised cost	Total carrying value
	(equivalent in Uruguayan Pesos)	
Financial assets		
Cash and cash equivalents	51.820.333	51.820.333
Total	51.820.333	51.820.333
Financial liabilities		
Trade and other payables	436.369	436.369
Other financial liabilities	41.778.554	41.778.554
Total	42.214.923	42.214.923

Carrying amounts of cash and cash equivalents and trade payables as at March 31, 2022 and 2021 approximate the fair value due to their nature. Difference between carrying amounts and fair values of other financial liabilities subsequently measured at amortized cost is not significant due to their nature in each of the years presented.

f. 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.

g. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

  The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

  The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10 Percentage against the respective functional currencies of the Company.

  The following analysis has been worked out based on the net exposures the Company as at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity

  The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2022:

	UYU	CLP	ARS
	(in US Dollars)		
Net financial assets	**-**	**-**	**-**
Net financial liabilitites	**353**	**-**	**-**

  The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2021:

	UYU	CLP	ARS
	(in US Dollars)		
Net financial assets	-	-	-
Net financial liabilitites	2.603	-	945.494

  10 Percentage appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately USD 35 and USD 94.810 for the year ended March 31, 2022 and March 31, 2021 respectively.

- **Interest rate risk**

  The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of cash and cash equivalents. Cash and cash equivalents include an amount of USD 44.546 (UYU 1.831.491) held with a bank in Uruguay having high credit rating which are individually in excess of 10 Percentage or more of the Company's total Cash and Cash Equivalent as at March 31, 2022. None of the other financial instruments of the Company result in material concentration of credit risk.

Notes to the Separate Financial Statements

- **Exposure to credit risk**

  The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was USD 4.547.886 (UYU 186.986.315) and USD 1.172.751 (UYU 51.820.333) as at March 31, 2022 and March 31, 2021, respectively being the total of the carrying amount of Cash and cash equivalent and Other financial assets.

  The Company has no credit risk due to Nil total trade receivables for the years 2022 and 2021.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

March 31, 2022	**Due in 1st year**	**Due in 2nd year**	**Due in 3rd to 5th year**	**Due after 5 years**	**Total**
	(in US Dollars)				
Non-derivative financial liabilities					
Trade and other payables	**10.127**	**-**	**-**	**-**	**10.127**
Total	**10.127**	**-**	**-**	**-**	**10.127**

March 31, 2021	**Due in 1st year**	**Due in 2nd year**	**Due in 3rd to 5th year**	**Due after 5 years**	**Total**
	(in US Dollars)				
Non-derivative financial liabilities					
Trade and other payables	9.876	-	-	-	9.876
Other financial liabilities	945.494	-	-	-	945.494
Total	955.370	-	-	-	955.370

March 31, 2022	**Due in 1st year**	**Due in 2nd year**	**Due in 3rd to 5th year**	**Due after 5 years**	**Total**
	(equivalent in Uruguayan Pesos)				
Non-derivative financial liabilities					
Trade and other payables	**416.371**	**-**	**-**	**-**	**416.371**
Total	**416.371**	**-**	**-**	**-**	**416.371**

March 31, 2021	**Due in 1st year**	**Due in 2nd year**	**Due in 3rd to 5th year**	**Due after 5 years**	**Total**
	(equivalent in Uruguayan Pesos)				
Non-derivative financial liabilities					
Trade and other payables	436.369	-	-	-	436.369
Other financial liabilities	41.778.554	-	-	-	41.778.554
Total	42.214.923	-	-	-	42.214.923

h. Equity instruments

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

	As at March 31, 2022	As at March 31, 2021
	(in Uruguayan Pesos)	
Authorized		
Equity shares of UYU 1 each	**3.000.000.000**	**3.000.000.000**
Total	**3.000.000.000**	**3.000.000.000**
Issued, Subscribed and Fully paid up		
Opening balance of equity shares of UYU 1	**2.122.783.424**	**2.122.783.424**
Shares issued during the year	**-**	**-**
Total	**2.122.783.424**	**2.122.783.424**

The Company's objective for capital management is to maximize 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.

9. NON-FINANCIAL ASSETS AND LIABILITIES

a. Other assets

Other assets consist of the following:

Other assets – Current

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	(in US Dollars)		(equivalent in Uruguayan Pesos)	
VAT receivable	**3.237**	3.713	**133.107**	164.054
Other current assets	**-**	892	**-**	39.383
Total	**3.237**	4.605	**133.107**	203.437

b. Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	(in US Dollars)		(equivalent in Uruguayan Pesos)	
Indirect tax payable and other statutory liabilities	**48.495**	17.608	**1.993.869**	778.024
Total	**48.495**	17.608	**1.993.869**	778.024

10. OPERATING EXPENSES

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

Notes to the Separate Financial Statements

The costs of the Company is categorized into other operating expenses which includes fees to external consultants, auditors remuneration and other expenses.

Other operating expenses

	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
	(in US Dollars)		(equivalent in Uruguayan Pesos)	
Fees to external consultants	**4.877**	3.120	**215.416**	133.720
Auditors remuneration	**8.980**	8.299	**378.387**	369.087
Other expenses	**79.864**	23.853	**3.308.374**	1.045.319
Total	**93.721**	35.272	**3.902.177**	1.548.126

11. OTHER INCOME

a. Finance income

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

	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
	(in US Dollars)		(equivalent in Uruguayan Pesos)	
Interest revenue - Bank deposits	**2.583**	526	**114.001**	22.694
Interest revenue - Loan to Subsidiary	**4.340**	-	**178.999**	-
Total	**6.923**	526	**293.000**	22.694

b. Finance costs

	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
	(in US Dollars)		(equivalent in Uruguayan Pesos)	
Other interest expenses	**7.101**	-	**307.650**	-
Total	**7.101**	-	**307.650**	-

c. Other gains (losses), net

	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
	(in US Dollars)		(equivalent in Uruguayan Pesos)	
Net foreign exchange gains (losses)	**(726.011)**	364.856	**(32.085.224)**	15.567.908
Total	**(726.011)**	364.856	**(32.085.224)**	15.567.908

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

Current income taxes

The current income tax expense includes income taxes payable by the Company.

Current income tax payable is computed in accordance with the tax laws applicable in Uruguay.

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.

The income tax expense consists of the following:

	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
	(in US Dollars)		(equivalent in Uruguayan Pesos)	
Current income tax expense				
Domestic	**33.385**	4.736	**1.484.644**	201.799
Overseas	**4.133.881**	448.769	**181.204.667**	19.166.913
	4.167.266	453.505	**182.689.311**	19.368.712
Total income tax expense	**4.167.266**	453.505	**182.689.311**	19.368.712

The reconciliation of estimated income tax expense reported in statements of profit or loss is as follows:

	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
	(in US Dollars)		(equivalent in Uruguayan Pesos)	
Income before income taxes	**38.962.828**	86.649.996	**1.699.110.859**	3.711.016.450
Federal income tax rate	**25%**	25%	**25%**	25%
Expected income tax expense	**9.740.707**	21.662.499	**424.777.715**	927.754.113
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:				
Tax holidays and income exempt from tax	**(9.707.334)**	(21.660.996)	**(423.293.591)**	(927.689.309)
Tax pertaining to prior years	**12**	3.233	**520**	136.995
Disallowable expenses	**4.133.881**	448.769	**181.204.667**	19.166.913
Total income tax expense	**4.167.266**	453.505	**182.689.311**	19.368.712

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

Direct tax contingencies

As of date of separate financial statements the Company does not have any disputes with income tax authorities of Uruguay.

Notes to the Separate Financial Statements

13. COMMITMENTS AND CONTINGENCIES

Contingencies

- **Direct tax matters**

  Refer to note 12.

- **Indirect tax matters**

  There is no contingencies in relation to indirect taxes.

14. RELATED PARTY TRANSACTIONS

Company's principal related parties consist of its ultimate holding company Tata Consultancy Services Limited and its subsidiaries, affiliates and key managerial personnel. The company's related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Transactions with related parties are as follows:

		Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
		(in US Dollars)		(equivalent in Uruguayan Pesos)	
Dividend Income	**Subsidiaries of Tata Consultancy Services Limited**				
	Tata Consultancy Services Chile S.A.	**25**	-	**1.103**	-
	Tata Consultancy Services De Mexico S.A.,De C.V.	**62.370.000**	8.909.999	**2.735.860.050**	380.563.596
	TCS Inversiones Chile Limitada	**10.941.279**	-	**479.534.397**	-
	TCS Solution Center S.A.	**15.766.367**	4.300.000	**683.231.763**	185.536.700
	TCS Uruguay S. A.	**12.563.076**	38.631.500	**550.052.500**	1.665.583.339
	Total	**101.640.748**	51.841.499	**4.448.679.814**	2.231.683.634
Interest Income	**Subsidiaries of Tata Consultancy Services Limited**				
	TCS Uruguay S. A.	**4.340**	-	**178.999**	-
	Total	**4.340**	-	**178.999**	-
Dividend paid	**Tata Consulatancy Services Limited**	**91.400.000**	50.000.000	**4.014.225.800**	2.151.990.000
	Total	**91.400.000**	50.000.000	**4.014.225.800**	2.151.990.000
Finance costs	**Subsidiaries of Tata Consultancy Services Limited**				
	TCS Uruguay S. A.	**7.101**	-	**307.650**	-
	Total	**7.101**	-	**307.650**	-
Investment in subsidiaries					
	Subsidiaries of Tata Consultancy Services Limited				
	Tata Consultancy Services Guatemala S.A.	**998.277**	-	**43.539.587**	
	Total	**998.277**	-	**43.539.587**	-

Balances payable to related parties are as follows:

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		(in US Dollars)		(equivalent in Uruguayan Pesos)	
Loans, other financial assets and other assets	**Subsidiaries of Tata Consultancy Services Limited**				
	TCS Uruguay S.A.	**4.404.340**	-	**181.084.439**	-
	Tata Consultancy Services Guatemala S.A.	**99.000**	-	**4.070.385**	-
	Total	**4.503.340**	-	**185.154.824**	-
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	**Subsidiaries of Tata Consultancy Services Limited**				
	Tata Consultancy Services Argentina S.A.	**-**	945.494	**-**	41.778.554

Remuneration to the Board

The members of the Company's board are not remunerated for carrying out their duties.

15. SUBSEQUENT EVENT

There was no subsequent event that meet disclosure.

TATA CONSULTANCY SERVICES QATAR L.L.C.

(Registration Number: 53508)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the period ended December 31, 2021

FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2021

INDEPENDENT AUDITOR'S REPORT

KPMG
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TO THE SHAREHOLDERS OF

TATA CONSULTANCY SERVICES QATAR L.L.C .

Opinion

We have audited the financial statements of Tata Consultancy Services Qatar L.L.C (the "Company"), which comprise the statement of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the Company's financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Qatar Commercial Law No. 11 of 2015 whose certain provisions were subsequently amended by law No. 8 of 2021 ("amended QCCL"), we also report that:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- The Company has maintained proper accounting records and its financial statements are in agreement therewith.
- Furthermore, the Company did not hold inventories as at reporting date, hence, physical count was not required.
- We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association having occurred during the period which might have had a material effect on the Company's financial position or performance as at and for the period ended 31 December 2021.

03 March 2022	**Gopal Balasubramaniam**
Doha	KPMG
State of Qatar	Auditors' Registry No. 251

Statement of Financial Position as at December 31, 2021 and March 31, 2021

(Amount in : QAR)

	Note	As at December 31, 2021	As at March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	**3,086,602**	5,416,983
Trade receivables	7(b)	**13,126,252**	9,735,870
Unbilled receivables		**1,067,613**	90,713
Other financial assets	7(c)	**4,288,189**	5,269,489
Other assets	9(b)	**2,994,750**	7,773,114
Total current assets		**24,563,406**	28,286,169
Non-current assets			
Other financial assets	7(c)	**48,172**	50,348
Property, plant and equipment	9(a)	**19,021**	28,556
Right-of-use assets	8	**345,922**	435,531
Deferred tax assets (net)	13	**356,660**	220,676
Other assets	9(b)	**517,944**	221,474
Total non-current assets		**1,287,719**	956,585
TOTAL ASSETS		**25,851,125**	29,242,754
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Lease liabilities		**334,142**	223,047
Trade payables	7(d)	**6,443,135**	11,170,150
Other financial liabilities	7(e)	**372**	45,645
Unearned and deferred revenue	10	**1,275,870**	1,477,049
Other liabilities	9(c)	**435,003**	272,454
Provisions		**624**	-
Employee benefit obligations	14(a)	**83,157**	24,384
Income tax liabilities (net)	13	**303,923**	181,016
Total current liabilities		**8,876,226**	13,393,745
Non-current liabilities			
Lease liabilities		**-**	251,377
Employee benefit obligations	14(b)	**316,211**	244,622
Total non-current liabilities		**316,211**	495,999
TOTAL LIABILITIES		**9,192,437**	13,889,744
EQUITY			
Share capital	7(i)	**2,000,000**	2,000,000
Retained earnings	5(a)	**13,658,688**	12,353,010
Legal reserve	5(b)	**1,000,000**	1,000,000
Total equity		**16,658,688**	15,353,010
TOTAL LIABILITIES AND EQUITY		**25,851,125**	29,242,754

See accompanying notes forming part of the financial statements.

Statement of Profit or Loss and Other Comprehensive Income
for the period ended December 31, 2021 and March 31, 2021

(Amount in : QAR)

	Note	Period ended December 31, 2021	Year ended March 31, 2021
Revenue	10	**20,972,148**	29,799,555
Operating expenses			
Employee benefit obligations	14(a)	**3,295,478**	3,511,510
Other operating expenses	11	**15,919,401**	25,936,961
Depreciation	8,9 (a)	**183,530**	230,627
TOTAL OPERATING EXPENSES		**19,398,409**	29,679,098
OPERATING PROFIT		**1,573,739**	120,457
Other expense			
Other non-operating loss	12	**(122,021)**	(289,716)
Finance costs		**(6,332)**	(14,399)
PROFIT / (LOSS) BEFORE TAXES		**1,445,386**	(183,658)
Income tax (expense) / benefit	13	**(139,707)**	14,738
PROFIT / (LOSS) FOR THE PERIOD / YEAR		**1,305,679**	(168,920)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR		**1,305,679**	(168,920)

See accompanying notes forming part of the financial statements.

Statement of changes in Equity for the period ended December 31, 2021 and March 31, 2021

(Amount in : QAR)

	Share capital	Retained earnings	Legal reserve	Total equity
Balance as at April 1, 2020	2,000,000	12,521,930	1,000,000	15,521,930
Total comprehensive income for the year	-	(168,920)	-	(168,920)
Balance as at March 31, 2021	**2,000,000**	**12,353,010**	**1,000,000**	**15,353,010**
Total comprehensive income for the year	**-**	**1,305,679**	**-**	**1,305,679**
Balance as at December 31, 2021	**2,000,000**	**13,658,688**	**1,000,000**	**16,658,688**

See accompanying notes forming part of the financial statements.

Statement of Cash Flows for the period ended December 31, 2021 and March 31, 2021

(Amount in : QAR)

	Note	Period ended December 31,2021	Year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (loss) for the year		**1,305,679**	(168,920)
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Depreciation	8, 9(a)	**183,530**	230,627
Income tax expense	13	**139,707**	(14,738)
Provision of allowance for doubtful trade receivables (net)	7(b)	**1,378,107**	1,571,401
Unrealised foreign exchange gain		**(10,159)**	(14,907)
Accrued interest on lease liability	8	**6,332**	14,399
Provision for employees' benefit obligations	14(a)	**71,589**	101,798
Net change in working capital			
Trade receivables		**(4,758,330)**	2,913,390
Unbilled revenues		**(976,900)**	(90,713)
Other financial assets		**983,476**	3,368,740
Other assets		**4,481,894**	(3,643,205)
Trade and other payables		**(4,727,015)**	(2,367,514)
Other flnancial liabilities		**(45,273)**	(42,574)
Unearned and deferred revenues		**(201,179)**	16,639
Employee benefit obligations		**58,773**	12,883
Other liabilities		**162,548**	45,667
Provisions		**624**	(59,277)
Cash used from operating activities		**(1,946,597)**	1,873,696
Income taxes paid	13	**(152,784)**	(765,571)
Net cash used from operating activities		**(2,099,381)**	1,108,125
CASH FLOWS FROM INVESTING ACTIVITIES		**-**	-
Purchase of right of use asset	8	**-**	(4,276)
Purchase of property, plant and equipment	9(a)	**-**	-
Net cash used in investing activities		**-**	(4,276)
CASH FLOWS FROM FINANCING ACTIVITIES		**-**	
Repayment of lease liability	8	**(231,000)**	(189,000)
Net cash used in financing activities		**(231,000)**	(189,000)
Net change in cash and cash equivalents		**(2,330,381)**	914,849
Cash and cash equivalents, beginning of the year		**5,416,983**	4,502,134
Cash and cash equivalents, end of the year	7(a)	**3,086,602**	5,416,983

See accompanying notes forming part of the Financial Statements.

Notes forming part of the Financial Statements

1. Corporate Information

Tata Consultancy Services Qatar L.L.C. (the "Company") is registered as a limited liability company in the State of Qatar under commercial registration number 53508.

The Company is engaged in a wide range of information technology and consultancy services including systems hardware and software, communications and networking, hardware sizing and capacity planning, software project management solutions, technology education services and business process outsourcing.

The address of the Company's registered office is Al Bidda Tower, 7th Floor, Corniche Street, Doha, Qatar, P.O.Box # 207210.

As at December 31, 2021, Tata Consultancy Services Limited owned 100% of Company's equity share capital.

The financial statements were approved and authorised for issue on 02 March 2022.

2. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the international accounting standard board ("IASB"). The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented in these financial statements.

3. Basis of preparation

The financial statements have been prepared on historical cost basis 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 or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

During current year, the company changed its accounting period. Accordingly this financial report covers the nine months period from 1st April 2021 to 31st December 2021 with the comparatives being for 12 months from 1st April 2020 to 31st March 2021. The functional and presentation currency of the Company is Qatari Riyal ("QAR").

Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency using exchange rates prevailing on the date of statement of financial position. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are included in profit or loss. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

4. Use of estimates and judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

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The company uses the following critical accounting estimates in preparation of its consolidated financial statements:

a. Revenue Recognition

Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. 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.

c. Provisions and contingent liabilities

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at the end of each reporting period adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

d. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. Nature and purpose of reserves

a. Retained earnings

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

b. Legal reserves

In accordance with Qatar Commercial Company's Law, the Company has established a legal reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the capital. This has been achieved, hence the company has resolved to discontinue such transfer. This reserve is not available for distribution except in circumstances as specified in the Law.

6. Recent Accounting Standards

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

Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use [1]
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract [1]
Amendments to IFRS 3	Business Combinations - Reference to Conceptual Framework [1]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[1]
Amendments to IAS 1	Classification of Liabilities[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates [2]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction [2]

[1]Effective for annual periods beginning on or after January 1, 2022.

[2]Effective for annual periods beginning on or after January 1, 2023.

IAS 16 - Proceeds before Intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 - Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling' a contract comprises the cost that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 - Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

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IFRS 9 -Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 -Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counter party of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 - Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 - Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

7. Financial assets, financial liabilities and equity instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Balances with bank	**3,086,602**	5,416,983
Total	**3,086,602**	5,416,983

b. Trade receivables

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Trade receivables*	**16,489,922**	11,731,592
Less: Allowance for doubtful trade receivables	**(3,363,670)**	(1,995,722)
Total	**13,126,252**	9,735,870

* Trade receivables include balances with related parties, please refer to Note 16.

Movement in the allowance for doubtful trade receivables	As at December 31, 2021	As at March 31, 2021
At April 1,	**1,995,722**	439,228
Additional provision during the year	**1,378,107**	1,571,401
Add/ (less):Exchange difference	**(10,159)**	(14,907)
At December 31,	**3,363,670**	1,995,722

c. Other financial assets

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Other financial assets - Current		
Short term bank deposits	**3,077,091**	3,069,375
Accrued interest	**7,265**	1,691
Employee advances	**134,765**	124,390
Less: Allowance	**-**	(94,100)
Restricted cash*	**1,048,757**	2,161,757
Others**	**20,311**	6,376
Total	**4,288,189**	5,269,489
Other financial assets - Non-Current		
Accrued interest	**-**	3,240
Premises security deposit	**48,172**	47,108
Total	**48,172**	50,348

* In restricted cash expenses towards issuance of Bank Guarantee (BG) for Tender/Performance bond are accounted. At the time of issuance of BG, bank reserves some percentage and debits bank account which remain as reserve cash and cannot be withdrawn, once the BG is matured that amount is credited to the bank account automatically.

**Others include balances with related parties, please refer to Note 16.

d. Trade payables

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Trade payables *	**3,895,428**	4,690,854
Accrued expenses*	**2,547,707**	6,479,296
Total	**6,443,135**	11,170,150

* Trade payables and Accrued expenses include balances with related parties, please refer to Note 16.

e. Other financial liabilities - current

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Accrued payroll	**372**	44,391
Volume discount - current	**-**	1,254
Total	**372**	45,645

f. Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2021 is as follows:

(Amount in : QAR)

	Amortised Cost	Total carrying value
Assets:		
Cash and cash equivalents	**3,086,602**	**3,086,602**
Trade receivables	**13,126,252**	**13,126,252**
Unbilled receivables	**1,067,613**	**1,067,613**
Other financial assets	**4,336,361**	**4,336,361**
Total Assets	**21,616,829**	**21,616,829**
Liabilities:		
Trade payables	**6,443,135**	**6,443,135**
Lease liabilities	**334,142**	**334,142**
Other financial liabilities	**372**	**372**
Total Liabilities	**6,777,649**	**6,777,649**

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(Amount in : QAR)

	Amortised Cost	Total carrying value
Assets:		
Cash and cash equivalents	5,416,983	5,416,983
Trade receivables	9,735,870	9,735,870
Unbilled revenues	90,713	90,713
Other financial assets	5,319,836	5,319,836
Total Assets	20,563,402	20,563,402
Liabilities:		
Trade payables	11,170,150	11,170,150
Lease liabilities	474,424	474,424
Other financial liabilities	45,645	45,645
Total Liabilities	11,690,219	11,690,219

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at December 31, 2021 and March 31,2021 approximate the fair value.

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.

h. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rate may have potential impact on the statement of financial statement, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than functional currency of the company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

  The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

  The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the company.

  The following table sets forth information relating to foreign currency exposure as at December 31, 2021:

	USD (equivalent QAR)	INR (equivalent QAR)	SAR (equivalent QAR)
Net financial assets	6,933,019	-	-
Net financial liabilities	2,481,930	24,959	-

  10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of Company would result in decrease / increase in the Company's profit before taxes by approximately QAR 442,613 for the period ended December 31, 2021..

  The following table sets forth information relating to foreign currency exposure as at March 31, 2021:

	USD (equivalent QAR)	INR (equivalent QAR)	SAR (equivalent QAR)
Net financial assets	8,526,165	-	-
Net financial liabilities	5,409,521	25,228	-

  10% depreciation/ appreciation of the respective foreign currencies with respect to functional currency of Company would result in increase/ decrease in the Company's profit before taxes by approximately QAR 309,142 for the year ended March 31, 2021.

- **Interest rate risk**

  Interest rate risk is the risk of changes in market interest rates affecting the overall return of the Company. The Company does not hedge its interest rate exposure. The Company's exposure to interest rate risk is limited to its bank deposits. Assuming that the deposits remain the same, the Company will benefit by QAR 7,715 (March 2021: QAR 7,673) with the increase of 25 bp in interest rate. In case the interest rate decreases by 25 bp the Company will incur a reduction in income by the same amount.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was QAR 23,662,442 and QAR 26,268,293 as of December 31, 2021 and March 31, 2021, respectively being the total of the carrying amount of balance with bank, trade receivables, unbilled receivables, contract assets and other financial assets. Balance with bank is placed with a bank with high credit ratings. As of December 31, 2021, there were no indications that any defaults will occur on trade receivables, unbilled receivables, contract assets or other financial assets.

Tata Consultancy Services Qatar LLC Company's exposure to customers is diversified and single customer's contribution to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at December 31, 2021 and March 31, 2021 was as below :

(Amount in : QAR)

Client Name	As at December 31, 2021		As at March 31, 2021	
	Total trade receivables and Unbilled revenue	Percentage	Total trade receivables and Unbilled revenue	Percentage
Customer A	.	.	2,671,441	17%
Customer B	**4,001,798**	**25%**	3,121,215	20%
Customer C	**2,999,060**	**18%**	4,115,365	26%
Customer D	**2,777,378**	**17%**	1,891,591	12%

- **Geographic Concentration of Credit Risk**

The Company has a geographic concentration of trade receivables (net of allowances), unbilled receivables and contract assets as given below:

	As at December 31, 2021	As at March 31, 2021
Middle East	**100%**	100%

Geographical concentration of trade receivables and unbilled receivables and contract assets is allocated based on the location of the customers.

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. The expected credit loss allowance is based on the ageing of the days the receivables are due and are as follows:

(Amount in : QAR)

December 31, 2021	Weighted average loss	Gross carrying amount*	Loss allowance #	Credit impaired
Not Due	**0.67%**	**1,498,023.42**	**(9,976.67)**	**No**
1-90	**1.27%**	**4,681,929.70**	**(59,328.73)**	**No**
91-180	**1.70%**	**2,253,800.98**	**(38,345.52)**	**No**
181-272	**3.11%**	**.**	**.**	**No**
273-364	**6.40%**	**.**	**.**	**No**
365-455	**12.22%**	**576,064.70**	**(70,368.31)**	**No**
456-546	**42.75%**	**2,095,376.64**	**(895,851.50)**	**No**
>547	**100.00%**	**2,870,298.77**	**(2,870,298.77)**	**Yes**

(Amount in : QAR)

March 31, 2021	Weighted average loss	Gross carrying amount*	Loss allowance #	Credit impaired
Not Due	0.00%	5,006,617.21	-	No
1-90	0.00%	747,320.39	-	No
91-180	0.00%	1,484,945.97	-	No
181-272	0.00%	2,384,883.84	-	No
273-364	0.00%	1,474,775.85	-	No
365-455	0.00%	-	-	No
456-546	0.00%	-	-	No
547-638	0.00%	-	-	No
639-730	14.29%	-	-	No
>730	100.00%	-	-	Yes

*Gross carrying amount excludes intercompany and retention customer receivables.

#The above table provides the loss allowance calculated as per ECL and Management is expected to make at the minimum this amount as provision of bad and doubtful debts against trade receivables. However in this case management has made higher provisions as bad and doubtful debts against trade receivables based on their prudent judgement to cover higher risk.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(Amount in : QAR)

December 31, 2021	Due in 1st year	Due in 2nd to 5th year	Total
Non derivative financial liabilities			
Trade payables	**6,443,135**	**-**	**6,443,135**
Lease liabilities	**312,000**	**-**	**312,000**
Other financial liabilities	**372**	**-**	**372**
Total	**6,755,507**	**-**	**6,755,507**
March 31, 2021			
Non derivative financial liabilities			
Trade payables	11,170,150	-	11,170,150
Lease liabilities	231,000	252,000	483,000
Other financial liabilities	45,645	-	45,645
Total	11,446,795	252,000	11,698,795

i. Equity instruments

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Authorised		
2,000,000 ordinary shares of QAR 1 each	**2,000,000**	2,000,000
Issued, Subscribed and Fully paid up		
2,000,000 ordinary shares of QAR 1 each	**2,000,000**	2,000,000
Total	**2,000,000**	2,000,000

Share holding	Percentage %	Percentage %
Tata Consultancy Services Limited	100	100

Capital management

The Company's objective for capital management is to maximize 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 product 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.

8. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and 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 Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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.

The details of the right-of-use asset held by the Company is as follows:

(Amount in : QAR)

	Additions for the period ended December 31, 2021	Net carrying amount as at December 31, 2021
Leasehold building	**84,386**	**344,144**
ROU leasehold building- Security deposit	**-**	**1,778**
Total	**84,386**	**345,922**

(Amount in : QAR)

	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Leasehold building	649,024	432,683
ROU leasehold building- Security deposit	4,276	2,848
Total	653,300	435,531

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

(Amount in : QAR)

	Period ended December 31, 2021
Leasehold building	**172,925**
ROU leasehold building- Security deposit	**1,070**
Total	**173,995**

(Amount in : QAR)

	Year ended March 31, 2021
Leasehold building	216,341
ROU leasehold building- Security deposit	1,428
Total	217,769

Interest on lease liabilities is QAR 6,332 and QAR 14,399 for the period ended on December 31, 2021 and year ended March 31, 2021, respectively.

The Company incurred QAR NIL and QAR NIL for the period ended December 31, 2021 and year ended March 31, 2021, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is QAR 231,000 and QAR 189,000 for the period ended December 31, 2021, and year ended March 31, 2021, respectively, including cash outflow for short-term leases and leases of low-value assets.

The Company does not have lease term extension options that are not reflected in the measurement of lease liabilities.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

9. Non-financial assets and 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 values 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	Method	Useful life (in years)
Computer and equipment	Straight Line Method	4 years
Furniture and Fixtures	Straight Line Method	5 years

Depreciation is not recorded on capital work in progress until construction and installation are complete and the asset is ready for its intended use. 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.

Property, plant and equipment

Property, Plant and equipment consist of the following:

(Amount in : QAR)

	Computer equipment	Furniture and fixtures	Total
Gross block as at April 1, 2021	**121,557**	**7,719**	**129,276**
Additions	**-**	**-**	**-**
Gross block as at December 31, 2021	**121,557**	**7,719**	**129,276**
Accumulated depreciation as at April 1, 2021	**94,545**	**6,175**	**100,720**
Depreciation for the period	**8,372**	**1,163**	**9,535**
Accumulated depreciation as at December 31, 2021	**102,917**	**7,338**	**110,255**
Net carrying amount as at December 31, 2021	**18,640**	**381**	**19,021**
Gross block as at April 1, 2020	121,557	7,719	129,276
Additions	-	-	-
Gross block as at March 31, 2021	121,557	7,719	129,276
Accumulated depreciation as at April 1, 2020	83,231	4,631	87,862
Depreciation for the year	11,314	1,544	12,858
Accumulated depreciation as at March 31, 2021	94,545	6,175	100,720
Net carrying amount as at March 31, 2021	27,012	1,544	28,556

b. Other assets

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Other assets consist of the following:		
Other assets - Current		
Advance to suppliers	**32,497**	32,498
Other advances - Allowance	**(32,497)**	-
Prepaid expenses - current*	**1,169,193**	2,257,199
Contract assets - current (Refer to Note 10)	**1,695,266**	5,483,417
Contract fulfillment costs - Current	**175,921**	-
Others	**(45,630)**	-
Total	**2,994,750**	7,773,114

*Prepaid expenses include balances with related parties, please refer to Note 16.

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(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Other assets - non-current		
Contract assets - non-current	**517,944**	221,474
Total	**517,944**	221,474

c. **Other liabilities**

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Other liabilities consist of the following:		
Other liabilities - current		
Advance received from customers	**270,242**	272,454
Indirect Tax Payable	**164,761**	-
Total	**435,003**	272,454

10. Revenue recognition

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Transaction price attributed in case of contracts with subsidiary is arrived at on the basis of arm's length price. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products/ services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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 the 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 is excess of revenue 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 is 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Revenue from operations is QAR 20,972,148 for period ended December 31, 2021 (March 31, 2021: QAR 29,799,555).

(Amount in : QAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Revenue from consultancy services	**20,824,564**	28,603,601
Revenue from sale of equipment and software licences	**147,584**	1,195,954
Total	**20,972,148**	29,799,555

Revenue disaggregation by industry vertical is as follows:

(Amount in : QAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Industry vertical		
Banking, financial and insurance	**8,153,605**	11,981,130
Communication, media and technology	**1,587,467**	3,076,262
Manufacturing	**-**	35
Energy and utilities	**3,758,717**	3,247,545
Retail and consumer products	**948,110**	1,097,328
Others	**6,524,249**	10,397,255
Total	**20,972,148**	29,799,555

Revenue disaggregation by geography is as follows:

(Amount in : QAR)

Geography	Period ended December 31, 2021	Year ended March 31, 2021
Middle east	**20,805,006**	29,799,555
America	**167,142**	-
Total	**20,972,148**	29,799,555

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is QAR 14,069,793 out of which QAR 5,724,366 (40.69%) is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

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Movement in contract assets is given below:

(Amount in : QAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Opening balance as at April 1, 2021	**5,704,891**	2,684,285
Add: Revenue recognized during the year	**1,459,880**	3,906,738
Less: Invoices raised during the year	**(4,951,539)**	(875,597)
Add/ (Less): Translation exchange differences	**(22)**	(10,535)
Closing balance as at December 31 / March 31, 2021	**2,213,210**	5,704,891

Movement in contract liabilities (unearned and deferred revenue) is as given below:

(Amount in : QAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Opening balance as at April 1, 2021	**1,477,049**	1,460,410
Less: Revenue recognised during the year	**(1,337,397)**	(1,314,508)
Add: Invoices raised during the year	**1,136,264**	1,324,398
Add/ (Less): Translation exchange differences	**(46)**	6,749
Closing balance as at December 31 / March 31, 2021	**1,275,870**	1,477,049

11. Cost recognition

Costs and expenses are recognized 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 doubtful trade receivables and advances, 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.

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(Amount in : QAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Expense by function		
Cost of revenue	**16,159,777**	25,785,866
Selling, general and administration expenses	**3,238,632**	3,893,232
Total	**19,398,409**	29,679,098

Costs and expenses are recognized when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised into employee benefit expenses, depreciation and other operating expenses. Employee benefit expenses include salaries, incentives and allowances, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as contribution to brand equity, corporate overhead allocation, commission and brokerage, recruitment and training, entertainment, etc.

(Amount in : QAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Other operating expenses		
Project expenses	**535,877**	1,374,568
Fees to external consultants	**13,142,700**	20,673,149
Cost of equipment and software licenses	**(924)**	899,803
Travel expenses	**477,528**	622,295
Communication	**35,192**	50,695
Bad debts	**1,316,504**	1,571,401
Other expenses	**412,525**	745,050
Total	**15,919,401**	25,936,961

12. Other (expense) / income

(Amount in : QAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Other non-operating (loss) / income, net:		
Net foreign exchange losses	**(137,174)**	(300,977)
Interest income	**15,153**	11,261
Total	**(122,021)**	(289,716)

13. Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

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

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Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. 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.

Deferred income taxes

The Company accounts for the deferred income taxes using the balance sheet approach. Deferred income taxes are provided for the differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

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

The income tax expense consists of the following:

(Amount in : QAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Current Tax		
Current tax expense	**275,691**	183,154
Deferred tax expense	**(135,984)**	(197,892)
Total	**139,707**	(14,738)

The reconciliation of estimated income tax expense at the Qatar Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:-

(Amount in : QAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Current tax expenses		
Income / (Loss) before taxes	**1,445,386**	(183,658)
Statutory tax rate	**10.00%**	10.00%
Expected income tax expense	**144,539**	(18,366)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax pertaining to prior years:		
Current tax	**6,385**	-
Deferred tax	**(11,840)**	-
Other permanent differences	**623**	3,628
Income tax	**139,707**	(14,738)
Ownership share of Non-Qatari	**100%**	100%
Total income tax expense	**139,707**	(14,738)

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Significant components of net deferred tax assets and liabilities for the period ended December 31, 2021 are as follows:

(Amount in : QAR)

	Opening balance	Recognised through profit or loss	Closing balance as at December 31 2021
Deferred Tax Assets			
Deferred tax assets in relation to:			
Property, plant and equipment	**12,943**	**54**	**12,997**
Provision for employee benefits	**-**	**7,159**	**7,159**
Allowances for receivables	**21,740**	**-**	**21,740**
Disallowed expenses	**185,993**	**128,771**	**314,764**
Total deferred tax asset	**220,676**	**135,984**	**356,660**

For the year ended March 31, 2021

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(Amount in : QAR)

	Opening balance	Recognised through profit or loss	Closing balance as on March 31, 2021
Deferred tax assets			
Deferred tax assets in relation to:			
Property, plant and equipment	1,044	11,899	12,943
Allowances for receivables	21,740	-	21,740
Disallowed expenses	-	185,993	185,993
Total deferred tax asset	22,784	197,892	220,676

Direct tax contingencies

As at the reporting date, the Company is in appeal of a withholding tax demand raised by General Tax Authority ("GTA") of Qatar, pertaining to the years 2013, 2014 and 2017. Management has carefully assessed the demand notice with assistance of third party consultants, where the merits of the demand notice have been found to be weak and inappropriate due to application of new tax amendments issued in 2019 on the prior years. Hence, no provision has been recognized in these financial statements.

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Income tax liabilities (net)		
Opening	**181,016**	763,433
Current tax provision made during the year	**275,691**	183,154
Advance tax paid	**(152,784)**	(765,571)
Closing	**303,923**	181,016

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The Company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no instances of any uncertain tax treatment in the past and on that basis it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC 23 is not applicable.

14. Employee benefits

a. Employee benefit obligations

The Company provides for amount payable to be employees for compensated absences per the company's policy, which are expected to occur within twelve months after the end of the period in which the employee render the related services are recognised as undiscounted liability at the date of statement of financial position.

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Employee cost consist of the following:		
Contributions to Provident and Other Funds	**77,321**	101,798
Salaries & Bonus	**3,057,424**	3,105,529
Staff Welfare	**160,733**	304,183
Total	**3,295,478**	3,511,510

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Employee benefit obligations - current		
Compensated absences*	**83,157**	24,384
Total	**83,157**	24,384

* This represents balance payable to the employees based on the Company's policy on compensated absences.

b. Employee's end of service benefit

A provision is made for employees end of service benefits which is payable on completion of employment. The provision is calculated in accordance with Qatari Labour Law based on employees' salary and accumulated period of service as at the reporting date.

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Employee benefit obligations - Non-current		
Gratuity liability	**316,211**	244,622
Total	**316,211**	244,622

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Movement in employees' obligations benefit		
At April 1,	**244,622**	142,824
Provision charged for the year	**71,589**	101,798
At December 31/March 31,	**316,211**	244,622

15. Commitments and contingencies

(Amount in : QAR)

	As at December 31, 2021	As at March 31, 2021
Letter of Guarantee	**998,816**	2,058,816
Total	**998,816**	2,058,816

16. Related party transactions

Company's principal related parties consist of its holding company Tata Consultancy Services Limited and its holding and subsidiaries, and its key managerial personnel. The company routinely enters into transactions with its related parties in the ordinary course of business.

Transactions with related parties

(Amount in : QAR)

	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Holding company	Total
For the period ended December 31, 2021			
Particulars			
Revenue from sale of services and licences	**-**	**989,223**	**989,223**
Purchases of goods and services (including reimbursement)	**-**	**12,353,365**	**12,353,365**
Brand equity contribution	**43,168**	**-**	**43,168**

(Amount in : QAR)

For the year ended March 31, 2021 Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Holding company	Total
Revenue from sale of services and licences	-	1,097,330	1,097,330
Purchases of goods and services (including reimbursement)	-	18,628,200	18,628,200

Balances with related parties

(Amount in : QAR)

As at December 31, 2021 Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Holding company	Total
Trade receivables and unbilled revenue (net)	**-**	**347,014**	**347,014**
Trade payables, unearned and deferred revenue, Other financial liabilities and Other liabilities	**43,168**	**5,287,008**	**5,330,176**
Volume discount	**-**	**-**	**-**
Prepaid expenses	**-**	**1,163,177**	**1,163,177**

(Amount in : QAR)

As at March 31, 2021 Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Holding company	Total
Trade receivables and unbilled revenue (net)	-	388,413	388,413
Trade payables, unearned and deferred revenue, Other financial liabilities and Other liabilities	-	10,476,208	10,476,208
Volume discount	-	1,191	1,191
Prepaid expenses	-	2,257,199	2,257,199

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Compensation to Key Managerial Personnel

(Amount in : QAR)

Remuneration paid to Devashis Goswami	Period ended December 31, 2021	Year ended March 31, 2021
Particulars		
Short Term Benefits	**259,604**	349,481
Post-employment benefits	**8,187**	10,029
Total	**267,791**	359,510

17. Subsequent events

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

18. Comparative Information

The comparative figures presented for the year ended March 31, 2021 have been reclassified where necessary to preserve consistency with the period ended December 31, 2021 figures. However, such reclassifications did not have any effect on the comprehensive income or the total equity for the period ended December 31, 2021.

19. Dividends

Dividends declared by the Company are based on the profit available for distribution.

DILIGENTA LIMITED

(Company's Registration Number: 05535029)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended December 31, 2021

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

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COMPANY INFORMATION

Board of Directors

N G Subramaniam

Chairman

D Praveen

Chief Executive Officer

R Reid

Non-Executive Director

M Arthur

Non-Executive Director

S Muthuswami

Non-Executive Director

Company Secretary

A Jackson

Auditors

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL
United Kingdom

Registered Office

Lynch Wood
Peterborough
Cambridgeshire
PE2 6FY

Company Registration Number

05535029

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STRATEGIC REPORT

The Directors present their Strategic Report for the year to 31st December 2021.

Principal Activities

Diligenta Limited ("the Company") is a Private Company, limited by shares. The Company has continued to deliver successfully a range of Life and Pension (L&P) Administration services throughout the year. The Company contracts with major Life and Pension insurance companies in the UK and occupies an increasingly important position in the L&P sector in its provision of administration services to these companies and ultimately those companies' policy holders. Given the nature and scale of its business, the Company is regulated by the Financial Conduct Authority ("FCA"). As a subsidiary of Tata Consultancy Services Limited (TCS), the delivery of the Company's services is achieved through collaboration with other group companies.

The Directors are committed to explore other growth opportunities and continue to tender for contracts providing Life and Pension Administration services to the UK Financial Services sector.

Review of Business and Future Developments

The Company's focus has been to maintain strong Business, Operational & Financial Resilience while supporting employee wellbeing in the face of the challenges arising from the COVID-19 pandemic. The financial performance of the Company reflects the challenging environment in which the Company operates. Revenue was £383.4 million in the year (2020: £388.1 million), principally due to deferral of project decisions by clients.

Operating expenses increased to £368.7 million (2020: £353.1 million) primarily driven by increased costs in support of operational readiness for transformations and service recovery efforts. The Company's transformation work and normal customer service levels were adversely affected by the impact of COVID-19 throughout the financial year.

Operating profit reduced to £14.7 million (2020: £35.0 million).

Profit after tax was £12.6 million (2020: £28.2 million). Details of the results for the year ended 31 December 2021 and the previous year are set out in the financial statements and the related notes on pages 19 to 53.

Despite the turmoil caused by the pandemic, with the positive support of its clients, the Company remains optimistic about its ability to continue to deliver the large-scale transformation programmes currently underway, with key milestones in 2022 and also into 2023. The Company also sees further opportunities for organic growth, both in terms of extending the range of services to its existing client base as well as taking on new clients. In achieving such expansion, the Company recognises the need for continuing investment in its IT security and infrastructure and in ensuring that its regulatory compliance keeps pace with the growth in the business as well as new regulatory requirements.

Key Performance Indicators

In assessing the performance of the Company, the Directors monitor several key performance indicators, financial and non-financial. These are:

- **Policy numbers administered:** This key indicator is directly linked to revenue. During the year, the number of in-force policies being administered stood at 15.7 million (2020: 16.0 million).
- **Transformation milestones:** The Company has the KPI of delivering the agreed transformation roadmap as per the defined milestones with client. Due to continued pandemic impact across UK and India coupled with deferred project decisions from client, there has been realignment of the transformation milestones with consent from clients. Realigned key digital and policy migration transformation milestones have been delivered for the Phoenix Group, Sun Life of Canada (SLOC) and Aviva during the year with over 0.6 million policies being added to the Company's platform.
- **Revenue:** Revenue for the year was £383.4 million (2020: £388.1 million). While there has been a steady growth in policy administration and Change revenue streams, reprioritisation of a number of transformation programmes by clients have contributed to a reduction of 1.2% in overall revenue.
- **Liquidity:** The Company has the KPI to ensure that it has strong financial flexibility through liquid assets to cover it's anticipated payment obligations and funding requirements. The Company regularly monitors its liquidity position to ensure that, even under stressed conditions, the Company has sufficient liquidity to meet its obligations. With no debt, the Company has adequate liquid assets to meet its obligations, including its Regulatory Capital requirement and after taking account of ring-fenced cash set aside to comply with FCA requirements.

- **IT Security:** The Company's IT security performance remains strong. The IT and security teams have been involved in a substantial amount of COVID-19 related activities including the enablement of corporate devices and enabling remote working capabilities. During the reporting period there has been no critical or high severity security incidents reported. The Directors are of the opinion that there are no significant unmitigated risks affecting the Company in executing its contracts.
- **Regulatory Breaches:** The Company and its clients have responsibility for regulatory compliance. Consequently, appropriate contractual arrangements are in place to provide clarity of respective responsibilities and information about regulatory matters flows from the Company to its clients and vice-versa. The Company has a dedicated Compliance function which provides continuous guidance to the business on compliance with regulatory matters. Regular, contractually required meetings between senior managers in the Company and its clients seek to identify issues at an early stage and act in concert both to prevent escalation or take necessary action.

Risk Management

Responsibility for setting as well as managing risk appetite and risk policy resides with the Board. The Board has delegated certain risk matters to the Risk Management and Compliance Committee which has a responsibility for oversight and monitoring management's implementation of the risk management framework within the Company.

This Company-wide risk management framework for the identification, assessment, measurement, and management of risk covers the full spectrum of risks that the Company is exposed to, with risks categorised as operational, strategic, regulatory, people, commercial or financial. Risks are entered in a register with each risk having a specified owner who is responsible for overseeing the necessary mitigating actions to keep the risk within the approved risk appetite. The status of risks is regularly assessed, at least once a quarter, to ensure that appropriate management actions are taken in an event that a key risk is deemed out of appetite.

The quarterly review of the risk register is done by the Senior Management team, Risk and Compliance Committee and the Board committees (Risk Management and Compliance Committee and Board Audit Committee). A risk dashboard is also provided to the Board.

The following Principal risks are currently registered and tracked:

- Business as usual service outcome risks
- Operational resilience risks
- Regulatory and legislative risks
- Transformation risks
- IT and Cyber Security threats
- HR risks

All these risks are actively managed via a robust process that includes strong program management, formal project life cycle processes and ring-fenced teams deployed, and Line 2 reviews of, and engagement within, key work streams undertaken.

The Company also mitigates these risks by reviewing management information on service level attainment and key performance indicators, with trends reviewed regularly. Formal contract management is in place and risks to service are identified and managed with contingency plans, if needed.

The operational risks are managed through controls being in place to protect the data and customer information with remediation plans on any breaches. It is also part of mandatory trainings to ensure the staff follows the required controls.

The IT risks are monitored through a regular Business Continuity Plan (BCP) and Disaster recovery testing to ensure the continuity of IT services are tested.

The HR risks are mitigated by ensuring that a succession planning process is undertaken annually; performance and development reviews are undertaken half yearly; by the use of recruitment partners; undertaking salary review through a remuneration committee; ensuring that appropriate HR strategies are in place; and retention actions taken, where needed.

Regulatory and Legislative risks are managed by ensuring that the Company's corporate incident management process operates effectively and management information on corporate incident trends is monitored through committees to oversee regulatory and legislative change; by the application of the quality framework, mandatory training and competency schemes; undertaking output checking and root cause analysis on incidents and complaints.

Impact of COVID-19 on risks

The principal risks have been impacted and heightened by the current COVID-19 pandemic situation. The current key COVID-19 related operational risks for the Company are:

- Addressing the impacts of the current employment market, which is very volatile and has resulted in higher levels of attrition in the Company in key areas.
- Supporting employees' well-being following extended periods of home working and now through the challenges of returning to work.
- Controlling the threat of cyber-attacks is a continued risk on account of the fast-evolving nature of the threat. In addition to impact on business operations, a security breach could result in reputational damage, penalties, legal and financial liabilities.

To address the threat of cyber-attack, the Company has:

- invested in automated prevention and detection solutions, enhanced internal vulnerability detection, data leak prevention tools, defined and tested incident management and recovery processes
- deployed security governance tools on all devices used by employees while working remotely, to monitor the work and ensure compliance to company security policies and contractual obligations
- continued reinforcement of stringent security policies and procedures, including enhanced security measures and awareness building to combat pandemic-themed threats like phishing, soliciting for fraudulent causes or charities, suspicious pleas and communication through social media, text or calls; and
- enhanced Company-wide training and awareness programmes on Information Security.

Regulatory compliance

The Company operates in a highly regulated environment, its principal regulator being the Financial Conduct Authority ("FCA"). The Company's clients are regulated by both the FCA and the Prudential Regulatory Authority ("PRA").

Both the Company and its clients have responsibility for regulatory compliance. Consequently, appropriate contractual arrangements are in place to provide clarity of respective responsibilities and information about regulatory matters flowing from the Company to its clients and vice-versa.

The Company operates a '3 lines of defence' model. The Compliance function provides 2nd line oversight of, and guidance to, the business in respect of regulatory compliance, and carries out a programme of monitoring activities to assess regulatory compliance in the 1st line. Compliance also oversees: the timely implementation of regulatory change; the operation of the Senior Managers & Certification Regime; the Training & Competence Scheme; the timely fulfilment of all regulatory reporting requirements for the Company, as a regulated entity in its own right. All regulatory reporting is up to date.

Compliance has regular and frequent dialogue with the Company's Supervision Team at the FCA, encompassing the FCA's programme of proactive engagement with the Company. This is focussed on areas which include:

- The Company's strategy and growth ambitions and the risks that growth plans bring to the business.
- On-boarding of new clients and the importance of ensuring sufficient operational and control capacity.
- The effectiveness of the Company's Board. The Board has completed is annual review. The next independent triennial review of Board effectiveness will be completed in 2023.
- The Board's composition and diversity.
- Liquidity, stress testing and wind-down plans. Corporate Finance complete and submit monthly liquidity questionnaires. An amount of money has been ring-fenced as part of an FCA requirement for a liquidity backstop. Controls are in place to ensure that this is maintained.
- The programme of transformations (system migrations): risk management and decision making; how lessons learnt are shared across the programme.
- The need to review and assess whether the size and capabilities of the Audit, Risk and Compliance functions are keeping pace with the rate of change and complexity of the business.

As part of FCA's programme of proactive engagement, the Company is also required to submit a range of management information. This includes Board level committee packs and minutes; risk committee packs and minutes; change committee packs; internal and external audit reports. All management information submissions are up to date.

The increased regular contact with the FCA on operational matters, which began with COVID-19, has continued. Regular meetings focus on providing the regulator with assurance in the following areas:

- The maintenance of customer service, with an emphasis on good customer outcomes following system migrations.
- Operational and IT resilience.
- Cyber and information security.
- Staff wellbeing.

The meetings are supported by management information reports, submitted in advance, covering Company's service performance across client accounts.

Financial Risk Management

The Company is exposed to financial risk through its financial assets and liabilities and its contractual obligations to its clients.

As a result of the COVID-19 pandemic, some of the contractual transformation milestones, that were planned for delivery in 2021, have been re-baselined to 2022 and 2023, as per client priorities and in agreement with clients.

The Company does not use hedging for any type of transactions. The exposure of the Company to credit risk is managed through regular reviews of the level and age profiles of amounts outstanding.

The Directors do not consider that the Company and its activities are subject to any other significant financial risks.

COVID-19

The Company has continued to focus on the on-going impacts of the COVID-19 pandemic with the priority being to safeguard the health and wellbeing of its employees whilst continuing to support its clients' business critical activities. The Company has continued to regularly assess risks to both its ability to deliver services and the wellbeing of the employees, as the situation changed throughout the year. The Company's on-going resilience to events has proved robust and critical business services have continued to be delivered successfully both from within the offices and also as a result of the continued ability of employees to work from home through the TCS Secure Borderless Workplace (SBWS™) model adopted by the Company. This transformative model enables remote access for employees, sets up a suitable cybersecurity framework and all project management practices and systems needed to ensure that work allocation, monitoring and reporting continues without disruption.

As a result of the on-going COVID-19 pandemic and extended lockdowns during 2021, the Company has seen an increase in the number of mental health wellbeing issues. Where this has been identified, the impacted employees have been offered support including the safe facilitation of their return to the office and/or support from the Company's 'Employee Assist Programme'.

The Company has continued to undertake extensive staff communication ensuring that guidelines and working practices were continually reviewed and changes communicated. Employee forums have been put in place to maintain regular engagement with employees and to take feedback on areas of interest or concern. The rollout of the Company's Mental Health First Aider programme across all sites has been completed and will look to be further extended during 2022.

Planning is now underway to support a gradual return of more employees back to the office, following the end of the Governments 'Work from Home' guidance in January 2022, this includes the development of the Company's longer term working practices in consideration of a hybrid operating model.

The Company has taken into account all the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of, liquidity and going concern assumptions, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19 impacts.

Section 172(1) Statement

The Directors acknowledge their duty to promote the success of the Company for the benefit of its shareholders, employees, clients, and regulator, as well as the wider community in which it operates.

Key requirements are:

- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the Company
- The impact of the Company's operations on the community and the environment
- The likely consequences of any decision in the long term

Employee engagement and well-being:

Employee engagement and proposition continue to be a key priority for the management team with return to office, retention and employee well-being at the centre of plans and execution. Several employee wellbeing initiatives are progressing. Corporate and local action plans were developed and being tracked for closures.

This calendar year has seen the introduction of a number of new initiatives across the Company's People Function including further building on greater levels of employee engagement. Employee forums have been a fundamental part of the Company's engagement with a specific focus on 'Wellbeing' forums and Company webinars to support the awareness of mental health and the importance of recognising both employee and team challenges, whilst working from home and in the office during the pandemic.

A particular focus has been given to the resilience of the Company's resourcing strategy given the significant recruitment challenges that are being seen across the global market. Transition to a new strategic resourcing partner has taken place to ensure appropriate access to talent and scalability in line with expected business demands.

The Company has also complied with its obligation to produce a Gender Pay Gap report, which has been reviewed by Directors to identify any issues that require to be addressed.

A diversity and inclusion council, made up of management and workforce, has continued to meet to ensure that the Company represents a truly diverse and inclusive culture, that opportunities are provided for all employees and that the Company strives to be a workplace that is understanding and welcoming of its diverse population with inclusion for all evident at the heart of its operations and culture.

The financial position of the Company's defined benefits pension scheme has been reviewed by Directors and the Company has continued to make the contributions, to ensure that the scheme's funding position remains strong.

Business relationships with customers, suppliers and others:

The Company's business relationships with its customers and suppliers are being maintained with high standards. Engagement with clients is frequent, at all levels of the Company's hierarchy, to ensure a full understanding of the Company's clients' needs and to foster good client relations and governance. On behalf of the Company's clients, Directors have supported the Company to develop and implement a new digital operating model (DOM), for delivery to the client's customers, online access to their financial arrangements and products in order to enhance the customer's access to important information.

The Company promotes the culture of good customer outcomes whilst working with customers, suppliers and others. Directors receive and consider information and data, from external agencies, around the client's customer's satisfaction with the services provided by the Company to ensure that high standards are both maintained and improved.

High standards of business conduct:

Culture: The Company recognises culture as the main driver of its conduct. Directors are leading a culture which puts fair customer outcomes at the heart of the business. 'The Diligenta Way' sets out Diligenta's practices and values and the 10 key principles that guide how employees work. It promotes the appropriate culture and behaviours in support of good customer outcomes.

SM&CR: The Company continues to make good progress on the Senior Managers & Certification Regime (SM&CR). This has set out Conduct Rules that apply to employees who must receive annual training on how the rules apply to their roles. These Conduct Rules set basic standards of good personal conduct.

Regulator: The Directors ensure that the Company's relationship with its regulator, the Financial Conduct Authority (FCA), is maintained and enhanced through regular and proactive interaction on all aspects of the Company's business. In this year, the Company has continued to fully participate in the regulator's evaluation of the Company's business which has seen a number of initiatives being implemented.

Suppliers: Full adherence of conflict-of-interest policy is in place at all management levels. The Company reviews and assesses its payment practices regarding supplier's invoices and these are biannually reported to Companies House. The Company has clear processes in place, which Director's monitor, to ensure payment of Company liabilities are made promptly in line with agreed timescales. Director's review and approve the Company's Procurement and Supplier Management policy regularly.

The need to act fairly as between members of the Company (i.e., TCS):

The Company recognises the need to meet the dividend expectations of its sole shareholder, Tata Consultancy Services Limited (TCS). The Company has returned to profit in the recent financial years, and this has enabled Directors to declare a dividend for its shareholder. TCS is regularly informed about performance, developments and the various initiatives within the Company.

The impact on the community and the environment:

The Company prioritised 'environmental sustainability' initiatives in the account of rapid acceleration in climate change and environmental degradation across the globe. The Company also provides priority to compliance with modern day slavery and health & safety requirements of employees.

The Company operates an annual charity partnership, raising funds through employee events which are fully supported by the Company. The Company has continued to operate a graduate engagement programme and participates in the Government's apprenticeship levy scheme.

Decisions in the long term:

The Company is operating with five-year plans and an annual operating plan (AOP) which demonstrates its strategic planning. Various aspects are being considered while making strategic decisions and these are: growth, investment vs return, locations, sustainability, impact on the community, etc.

The Directors receive feedback from the Company's executive management team, to assess the progress of various long term initiatives seeking views and inputs. Regular information is shared with the Directors to enable appropriate decisions and actions to be taken quickly where trends are identified.

The Directors, along with the executive management team, have engaged with clients to identify ways to improve their businesses, with the result that existing clients have entrusted the Company with significant new business opportunities, in particular to take on the administration of an open-book pensions portfolio which will see the Company progress into new lines of business in line with the Company's long-term strategy.

Approved by the Board and signed on its behalf by:

Daniel Praveen
Chief Executive Officer

11 March 2021

DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report of the Company, together with the financial statements and auditor's report for the year ended 31 December 2021. The monetary amounts are reported in GBP (£) and are rounded to the nearest thousand.

Details of the results for the year ended 31 December 2021 and the comparative previous year are set out in the financial statements and the related notes

Principal Activities

The principal activity of the Company is the provision of a range of life and pension administration services to the UK Financial Services sector.

Dividends

No Dividend payment is recommended for the year ended 31 December 2021 (2020: £5.0 million).

Directors

The Directors, who served through the year, were as follows:
N G Subramaniam
D Praveen
R Reid
M Arthur
S Muthuswami

Directors' Indemnities

The Company's parent undertaking Tata Consultancy Services Limited has made qualifying third-party indemnity provisions for the benefit of certain Directors which were made during the period and remain in force at the date of this report.

Employees

The Company has an established practice of keeping its employees informed of matters affecting them and the financial and economic factors affecting the performance of the Company. This is achieved through comprehensive engagement and consultative communication, involving regular meetings between management and employees and information releases both formally and through team communications and employee portals.

The Company operates a 'zero tolerance' approach towards acts of bribery and corruption. The Company will not engage in any form of bribery or corrupt behaviour and will take firm and vigorous action against any individual who does not comply with this policy. This may involve disciplinary action being taken, which the Company will normally treat as gross misconduct, which may lead to dismissal, and legal action where appropriate. This action would be taken irrespective of whether criminal proceedings are pursued by the authorities.

It is the policy of the Company that training, career development and promotion opportunities are available to all employees.

The Company is committed to providing equal opportunities to all employees irrespective of their sex, age, sexual orientation, marital status, religion, race, or disability. It is the Company's policy to give positive consideration to disabled persons with respect to applications for employment, training, career development and promotion, having regard to each individual's particular aptitudes and abilities.

Employee Engagement

The Company operates a variety of different on-going employee engagement initiatives including interactions with various bespoke employee / management forums, trade union and regulative committee representatives, on an on-going basis that recognises and respects each other's separate and shared aims in the context of building a successful business. The Company recognises Unite the Union as the negotiating body for all its employees within the Bargaining Unit in various forms, each locational site having different recognition agreements in place from an information and consultation perspective applicability.

In summary, the Company and the employee representatives always seek to work together in a spirit of co-operation, wherever possible. This is achieved by timely and transparent communication, consulting, and sharing of information, as well as listening and recognising the joint interests all parties have in making the Company a successful company and place to work.

The Company recognises that open and timely sharing of relevant information, including movements in the markets in which the Company operates, is fundamental to the creation of trust and confidence required to underpin the on-going relationship. This has been most evident throughout the current COVID-19 pandemic of 2020 and into 2021.

All employee representatives recognise they are likely to become privy to confidential information and all employee representatives have agreed to maintain the confidentiality of any information provided to them until they are advised that this information can be disclosed to any third parties, including other union members, members of staff or management.

Engagement with Customers, Suppliers, and others in a business relationship with the Company

The Directors have had regard to the need to foster the Company's business relationships with suppliers, clients, and others. Please refer to the detailed discussion under the Section 172(1) Statement, part of Strategic Report, on pages 8 to 10.

Creditor Payment Policy

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with. The Company publishes its Payments Practices Report biannually on the Gov.UK website.

Reporting in accordance with the Wates Corporate Governance principles for large Private Companies (the "Wates Principles")

The Company has applied the Wates Principles guidance in its entirety in the financial year ended 31 December 2021 and the report is set out below.

Purpose and Leadership

The Directors ensure that the Company operates with a clear sense purpose and collective vision by the continued publication of the Company's values to all stakeholders and through statements and communications issued by the Chief Executive Officer (CEO) and his Executive Management Team. The Directors have continued to hold dialogue with the workforce and wider stakeholders, through trade union information and consultation, management forums and the participation of the workforce in voluntary bespoke confidential surveys. The Directors, through the CEO, have provided updates and corporate messages to the workforce via the Company's intranet, through town hall sessions and through regular cascade messages to the workforce through the management team.

The Company's purpose and values have been explained and integrated into the different functions and operations of the business in a robust manner. The objective setting process forms the backbone of setting and adherence to the Company's core values, and these have continued to be reinforced via the intranet as well as through publicity material visible throughout the Company's sites. The Company has continued to monitor culture by, conducting employee surveys, engagement with trade unions, reviewing absenteeism rates, conducting exit interviews, and undertaking Board feedback sessions. The Directors have led on the establishment of transparent whistleblowing policies in relation to raising concerns about misconduct and unethical practices and put in place effective review processes.

Board Composition

The Directors, collectively, have continued to demonstrate an excellent understanding of the Company's business needs and stakeholder interests. The Company's Board of Directors is constituted of individuals with a wide range of industry and subject expertise. The chairman promotes open debate and facilitates constructive discussion. This enables the Board of Directors to be an open forum for discussion where varied views are tabled, and challenge is issued to the executive team on various matters. The Chairman ensures that all Directors have appropriate information, and that sufficient time is made available for meaningful discussion. Detailed inputs are provided five working days before the Board meets and meetings take place quarterly with sufficient time being allowed for discussion of issues to be covered. The Company has a commitment to the ongoing professional development of its directors who embrace such opportunities and ensure that they have sufficient time to discharge their duties.

The Company's policy on diversity and inclusion is underpinned throughout all the Company's corporate policies in both spirit and practice, inclusive of a bespoke diversity and inclusion council which drives this agenda forward.

Directors' Responsibilities

The Directors have established and maintained corporate governance practices that provide clear lines of responsibility for individual Directors, including the non-executive Directors, to support effective decision-making. The Company has a full suite of policies that it reviews regularly against a number of criteria, including regulation, best practice and alignment to client policies, which govern its internal affairs. Policies have formally assigned owners who are responsible to the Board of Directors. The Directors have established formal and robust internal processes to ensure systems and controls are operating effectively, and that the quality and integrity of information provided to it is reliable.

The Directors have agreed and set out how conflicts of interest should be identified and managed within the Company, through a conflicts of interest policy which is tested across the whole workforce every year.

Opportunity and Risk

The Directors have continued to consider and assess how the Company creates and preserves value over the long-term. The Company has processes for the identification of future opportunities for innovation and entrepreneurship, by operating in a variety of ways to ensure it remains innovative, including via market learning, in forums with its clients and by way of benefitting from the very extensive knowledge-based innovation of its parent company, Tata Consultancy Services Limited.

The Directors have oversight of risk, how it is managed, and appropriate accountability to stakeholders. There are clear areas of responsibility for individual Directors, including for the non-executive Directors, and all have identified areas of oversight over the key stakeholders and managers of the business. The Directors have established formal and robust internal processes to ensure systems and controls are operating effectively, and that the quality and integrity of information provided to them is reliable.

Remuneration

Remuneration for Directors and senior managers is aligned with performance, behaviours, and the achievement of Company purpose, values, and strategy. The Company utilises specialist external agencies to provide pay comparability methodologies to assist with determining remuneration throughout the Company.

In setting Director and senior manager remuneration, consideration has been given to remuneration throughout the organisation to reinforce a sense of shared purpose. The Directors have established clear policies on remuneration structures and practices which enable effective accountability to shareholders, taking account of the broader operating context, including the pay and conditions of the wider workforce and the Company's response to such matters as gender pay gap and the living wage.

Stakeholder Relationships and Engagement

The Company considers how its activities may impact both current and future stakeholders, including how these could impact on the environment in everything it does. This is carried out by consideration being given to the proposed activities at management and Board meetings before any initiative is implemented. Once implemented, the Company reviews and amends, as required, the Company's policies and seeks periodic inputs via workforce surveys; formal governance and feedback surveys with clients; end customer satisfaction results and analysis; regular meetings and audits with regulators.

The Company presents to stakeholders a fair, balanced, and understandable assessment of the Company's position and prospects and makes this available through intranet communications and messages from executive management and, results of workforce surveys.

The Directors ensure that there is a range of formal and informal channels in place to receive appropriate feedback from discussions with stakeholders. Workforce policies and practices are aligned with the Company's purpose and values.

Donations

The Company made no donations to charitable organisations in the year (2020: £Nil).

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2020: £Nil).

Streamlined Energy and Carbon Reporting

The Company has obtained information from its landlord and a third-party Facilities Management Company, as shared facilities, who have provided the Company with details of the electricity and gas used during the financial year to 31st December 2021. In the previous reporting period, the company was under the category of low energy user i.e. 40MWH, however in this period it has increased however the company has only generated minimal transport emissions again due to the COVID-19 pandemic situation.

While the Company has little or no operational control over the energy use in the buildings it occupies, the Streamlined Energy and Carbon Reporting disclosure presents the Company's carbon footprint inside the UK across Scopes 1, 2 and 3 together with an appropriate intensity metric.

The total energy use from electricity and gas and an energy actions summary of actions taken during this financial year are set out below.

	kWh	Kg CO2	CO2 emissions tonnes	Intensity ratio (tonnes CO2e/ per full time employee)
Emissions from combustion of gas (Scope 1 – tonnes of CO2e)	35,512	7,194	7.19	0.0015
Emissions from combustion of fuel for transport purposes (Scope 1 – tonnes of CO2e)	9,488	2,339	2.33	0.0004
Emissions from activities for which the company own or control including combustion of fuel & operation of facilities (Scope 1 - tonnes of CO2e	0	0	0	0
Total Scope 1	45,000	9,533	9.53	0.0020
Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 – tonnes of CO2e)	343,015	72,088	72.08	0.0153
Total Scope 2	343,015	72,088	72.08	0.0153
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 - tonnes of CO2e)	29,250	6,561	6.56	0.0014
Total Scope 3	29,250	6,561	6.56	0.0014
Total gross CO2e based on above	417,264	88,182	88.18	0.0187
Total Intensity ratio (kgCO2e/per full time employee)		18.7861		

Actions summary

The Company is committed to reducing carbon emissions through operational and technological improvements, wherever possible, including by way of example:

- The introduction of video conference communication to reduce business miles.
- Where possible, incentivising the selection of more fuel-efficient vehicles to electric or electric hybrid vehicles.
- The introduction of staff engagement initiatives.

Methodology

For the reporting period, the Company has used 2021 UK Government's Conversion Factors for Company Reporting. The Energy Institute Energy Savings Opportunity Scheme toolkit along with the Global Warming Potentials (GWPs) for CO2 has been consistent with those used in the 2021 UK Government Conversion Factors.

Reporting Period	**1st January 2021 – 31st December 2021**
Organisational boundary	Financial control approach
Alignment with financial reporting	SECR disclosure has been prepared in line with the annual accounts made up to 31 December 2021
Emissions factor source	DEFRA, 2020 for all emissions factors - https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021
Calculation method	Activity Data x Emission Factor = GHG emissions
Reason for the intensity measurement choice	The chosen metric is based on the number of employees – (4,694 employees)

Disclosure of information to auditor

The Directors who held office at the date of approval of this Director's report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Other information

An indication of likely developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 3.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements. Further information on the adoption of the going concern basis is set out in Note 3(b) to these financial statements.

Approved by the Board and signed on its behalf by:

Daniel Praveen
Chief Executive Officer

Lynch Wood
Peterborough
Cambridgeshire
PE2 6FY

11 March 2022

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report, and the Financial Statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006 and applicable law.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DILIGENTA LIMITED

Opinion

We have audited the financial statements of Diligenta Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and related notes.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;.
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and sales staff.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and

- the risk of bias in accounting estimates such as percentage of completion for revenue recognition. We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the Company-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries containing key words, those posted by individuals who are not authorized to post journal entries, those entries containing unusual pairings, and posting of backdated journal entries.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, and the Financial Conduct Authority (FCA) regulation of permitted activities and the related capital requirements due to the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 14, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

11 March 2022

STATEMENT OF FINANCIAL POSITION

(£'000)

	Note	As at December 31, 2021	As at December 31, 2020
ASSETS			
Non-current assets			
Right-of-use assets	8	**7,804**	10,970
Property, plant, and equipment	9(a)	**12,428**	16,110
Intangible assets	9(b)	**3,276**	2,056
Deferred tax assets(net)	12	**2,380**	1,804
Income tax assets(net)		**690**	248
Unbilled receivables		**-**	1,743
Other financial assets	7(d)	**18,200**	70
Other assets	9(c)	**10,284**	11,327
Contract assets	9(c)	**12,799**	31,374
Total non-current assets		**67,861**	75,702
Current assets			
Other assets	9(c)	**10,181**	14,139
Contract assets	9(c)	**77,433**	58,013
Other financial assets	7(d)	**5,708**	212
Unbilled receivables		**19,444**	6,451
Trade receivables	7(c)	**34,299**	29,110
Investments	7(b)	**21,500**	29,000
Cash and cash equivalent	7(a)	**572**	21,999
Total current assets		**169,137**	158,924
TOTAL ASSETS		**236,998**	234,626
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	7(f)	**83,436**	84,430
Lease liabilities	7(f)	**4,375**	4,278
Other financial liabilities	7(e)	**6,268**	7,096
Unearned and deferred revenue		**600**	532
Employee benefit obligations	13(a)	**1,810**	1,959
Other liabilities	9(d)	**5,728**	7,255
Total current liabilities		**102,217**	105,550
Non-current liabilities			
Lease liabilities	7(f)	**3,900**	7,318
Total non-current liabilities		**3,900**	7,318
TOTAL LIABILITIES		**106,117**	112,868
Equity			
Share capital	7(i)	**1,000**	1,000
Share premium		**25,000**	25,000
Retained earnings		**62,881**	53,758
Other reserve	7(i)	**42,000**	42,000
TOTAL EQUITY		**130,881**	121,758
TOTAL LIABILITIES AND EQUITY		**236,998**	234,626

The financial statements were approved by the Board of Directors and authorised for issue on 11 March 2022.

They were signed on its behalf by:

Daniel Praveen
Chief Executive Officer

Company registration number: 05535029

11 March 2022

Notes 1 to 18 form part of the financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(£'000)

	Note	Year ended December 31,2021	Year ended December 31, 2020
REVENUE FROM OPERATIONS	10	**383,440**	*388,092*
Operating expenses:			
Employee benefits expenses	13	**(176,947)**	*(177,705)*
Depreciation and amortisation expense	9(a),9(b)	**(7,531)**	(6,184)
Right of use assets depreciation	8	**(4,198)**	*(3,532)*
Other operating expenses	11	**(180,025)**	*(165,709)*
Total operating expenses		**(368,701)**	*(353,130)*
OPERATING PROFIT		**14,739**	*34,962*
OTHER INCOME / (EXPENSE):			
Finance and other income		**50**	*158*
Interest on lease liabilities		**(253)**	*(321)*
Other gains/loss (net)		**(34)**	*(340)*
TOTAL OTHER (EXPENSE) / INCOME		**(237)**	*(503)*
PROFIT BEFORE TAX		**14,502**	*34,459*
Income tax expense	12	**(1,895)**	*(6,280)*
PROFIT FOR THE YEAR		**12,607**	*28,179*
OTHER COMPREHENSIVE (LOSSES) / INCOME, NET OF TAXES			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		**2,022**	*(826)*
Deferred tax on remeasurement of defined employee benefit plans		**(506)**	*157*
Total other comprehensive income / (losses), net of taxes		**1,516**	*(669)*
Total comprehensive income for the Year		**14,123**	27,510

Notes 1 to 18 form part of the financial statements

STATEMENT OF CHANGES IN EQUITY

(£'000)

	Share capital	Share premium	Other reserve	Retained earnings	Total Equity
Balance at 1 January 2020	1,000	25,000	42,000	36,248	*104,248*
Profit for the year	-	-	-	28,179	*28,179*
Other comprehensive (loss)	-	-	-	(669)	*(669)*
Total comprehensive income	-	-	-	27,510	*27,510*
Dividend	-	-	-	(10,000)	*(10,000)*
Balance at 31 December 2020	1,000	25,000	42,000	53,758	*121,758*
Balance at 1 January 2021	**1,000**	**25,000**	**42,000**	**53,758**	**121,758**
Profit for the year	**-**	**-**	**-**	**12,607**	**12,607**
Other comprehensive income	**-**	**-**	**-**	**1,516**	**1,516**
Total comprehensive income	**-**	**-**	**-**	**14,123**	**14,123**
Dividend	**-**	**-**	**-**	**(5,000)**	**(5,000)**
Balance at 31 December 2021	**1,000**	**25,000**	**42,000**	**62,881**	**130,881**

Other reserve of 42,000,000 (2020: 42,000,000) relates to a capital redemption reserve following the redemption of preference shares in previous years. This is a non – distributable reserve.

Notes 1 to 18 form part of the financial statements

STATEMENT OF CASH FLOWS

(£'000)

	Note	Year ended December 31, 2021	Year ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**12,607**	28,179
Income tax expense	12	**1,895**	6,280
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Depreciation and amortisation expense	8, 9(a) ,9(b)	**11,729**	9,716
Finance costs		**253**	321
Dividend income		**(1)**	(77)
Loss on modification of lease		**-**	185
Operating profit before working capital changes		**26,483**	44,604
Net change in:			
Trade receivables		**(5,189)**	(5,692)
Unbilled receivables		**(11,250)**	5,475
Other financial assets		**(23,626)**	285
Other assets		**6,180**	(24,790)
Trade payables		**(994)**	17,630
Unearned and deferred revenue		**68**	(11,753)
Other financial liabilities		**(828)**	4,184
Other liabilities and provisions		**(1,676)**	230
Cash (used in) / generated from operations		**(10,832)**	30,173
Taxes paid (net of refunds)		**(3,420)**	(10,725)
Net cash (used in) / generated from operating activities		**(14,252)**	19,448
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		**(107,200)**	(190,000)
Payment for purchase of property, plant and equipment	9(a)	**(5,069)**	(7,517)
Proceeds from disposal / redemption of investments		**114,700**	207,000
Dividend received		**1**	95
Net cash generated from investing activities		**2,432**	9,578
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(5,000)**	(10,000)
Repayment of lease liabilities		**(4,344)**	(3,329)
Interest paid		**(263)**	(321)
Net cash used in financing activities		**(9,607)**	(13,650)
Net change in cash and cash equivalents		**(21,427)**	15,376
Cash and cash equivalents at the beginning of the year		**21,999**	6,623
Cash and cash equivalents at the end of the year		**572**	21,999

Notes 1 to 18 form part of the financial statements

Notes forming part of the Financial Statements

1. GENERAL INFORMATION

The Company is incorporated in the United Kingdom under the Companies Act. The address of the registered office is Lynch Wood, Peterborough, Cambridgeshire PE2 6FY and Company registration number is 05535029. The nature of the Company's operations and its principle activities are set out in the strategic and directors' reports.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB) and in accordance with the Companies Act 2006.

3. (A) BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows have been prepared using 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and reporting currency of the company is GBP (£). 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 significant accounting policies used in preparation of the consolidated financial statements have been discussed in the respective notes.

(B) GOING CONCERN

The directors have reviewed the budget and cash flow forecasts of the Company, taking account of reasonably possible downsides, for a period of not less than 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funds, through its operating cash flows and liquid investments to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a) Revenue recognition

Revenue for fixed-price contracts is recognised using the percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation. [As contracts progress, the calculation of revenue recognition for the year being reported on becomes increasingly sensitive to the estimate of future costs required to complete the contract].

b) 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 consideration 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.

c) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances, and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

d) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made.

e) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under the employee benefits note.

f) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

5 NATURE AND PURPOSE OF RESERVES

a) Retained earnings

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

b) Share Premium

Share premium is used to record the premium on issue of shares.

c) Other reserve

Other reserve relates to a capital redemption reserve following the redemption of preference shares in previous years. This is a non-distributable reserve.

6. RECENT ACCOUNTING STANDARDS

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

Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use[1]
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract[1]
Amendments to IFRS 3	Business Combinations - Reference to Conceptual Framework[1]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[1]
Amendments to IAS 1	Classification of Liabilities[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]

[1]Effective for annual periods beginning on or after January 1, 2022.

[2]Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 – Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

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IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated example; therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

For IAS 1 and IAS 8, the Company does not expect this amendment to have any significant impact in its financial statements.

For IAS 12, the Company will evaluate the impact, if any, in its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provision of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

The Company has money ring-fenced as part of FCA requirement for a liquidity backstop in a deposit account. The same is reported under Other non-current financial assets as "Restricted cash".

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit or loss.

The Company has deposits into Mutual Funds which are classified as financial assets measured through profit or loss. The Mutual Funds have a standard value of per unit which is the reference for any gains or losses on the holding. There has been no gain or loss on the holding of Mutual Funds.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime 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 are held in a banking institution with a credit rating of AA- (Standard & Poor's) and consist of the following:

(£'000)

	As at December 31, 2021	As at December 31, 2020
Cash in hand and at banks	**572**	21,999

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b) Investments

Investments consist of the following:

Investments - Current

(£'000)

Investments carried at fair value through profit or loss	As at December 31, 2021	As at December 31, 2020
Mutual fund units	**21,500**	29,000
Total	**21,500**	29,000

The mutual fund balances are deposits in a fund with daily liquidity, where the aim is to provide investors with security of capital together with an investment return which is comparable to normal Sterling-denominated money market interest rates.

c) Trade receivables

Trade receivables consist of the following:

(£'000)

Trade receivables – Current	As at December 31, 2021	As at December 31, 2020
Trade receivables	**34,299**	29,110
Less: Allowance for doubtful trade receivables	**-**	-
Total	**34,299**	29,110

d) Other financial assets

Other financial assets consist of the following:

(£'000)

Other financial assets – Current	As at December 31, 2021	As at December 31, 2020
Advance against investments	**5,500**	-
Employee loans and advances	**131**	105
Security deposits	**7**	7
Sub lease receivable	**70**	100
Total	**5,708**	212

(£'000)

Other financial assets – Non-Current	As at December 31, 2021	As at December 31, 2020
Sub lease receivable*	**-**	70
Restricted cash with bank **	**18,200**	-
Total	**18,200**	70

*Sub lease receivable relates to monies owned on the St Vincent Street premises in Glasgow (as per IFRS 16).

** Money ring-fenced as part of FCA requirement for a liquidity backstop in a deposit account and is not available for working capital requirements.

e) Other financial liabilities

Other financial liabilities consist of the following:

(£'000)

Other financial liabilities – Current	As at December 31, 2021	As at December 31, 2020
Accrued payroll	**6,268**	7,096
Total	**6,268**	7,096

f) Financial instruments by category

The carrying value of financial instruments by categories as at 31 December 2021 is as follows:

(£'000)

Financial assets	Fair value through profit or loss	Amortised cost	Total carrying value
Cash and cash equivalents	**-**	**572**	**572**
Trade receivables	**-**	**34,299**	**34,299**
Investments	**21,500**	**-**	**21,500**
Unbilled receivables	**-**	**19,444**	**19,444**
Other financial assets	**-**	**23,908**	**23,908**
Total	**21,500**	**78,223**	**99,723**
Financial liabilities			
Trade payables	**-**	**83,436**	**83,436**
Lease liability	**-**	**8,275**	**8,275**
Other financial liabilities	**-**	**6,268**	**6,268**
Total	**-**	**97,979**	**97,979**

The carrying value of financial instruments by categories as at 31 December 2020 is as follows:

(£'000)

Financial assets	Fair value through profit or loss	Amortised cost	Total carrying value
Cash and cash equivalents	-	21,999	21,999
Trade receivables	-	29,110	29,110
Investments	29,000	-	29,000
Unbilled receivables	-	8,194	8,194
Other financial assets	-	282	282
Total	29,000	59,585	88,585
Financial liabilities			
Trade payables	-	84,430	84,430
Finance lease liability	-	11,596	11,596
Other financial liabilities	-	7,096	7,096
Total	-	103,122	103,122

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at 31 December 2021 and 2020 approximate the fair value. The difference between carrying amounts and fair values of earmarked balances with banks, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented. Fair value measurement of lease liabilities is not required.

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£60 million of the trade payables balances represents amounts due to related undertaking (2020: £61 million).

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 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 December 31, 2021

(£'000)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	**21,500**	**-**	**-**	**21,500**
Total	**21,500**	**-**	**-**	**21,500**

As at December 31, 2020

(£'000)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Mutual fund units	29,000	-	-	29,000
Total	29,000	-	-	29,000

The Company has not disclosed the fair values of financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair value.

h) Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

i Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company looks to mitigate the market risk by agreeing terms predominantly in the functional currency, securing fixed price borrowings and liquid investment.

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(a) Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

The Company's transactions are mainly in GBP, hence its exposure to foreign currency exchange rate risk is limited.

(b) Interest rate risk

The Company is not significantly exposed to interest rate risk.

ii. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled on a continuous basis by analysing credit limits and creditworthiness of customers to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, cash and cash equivalents and other financial assets. Investments include an amount of £21,500,000 held as mutual funds. None of the other financial instruments of the Company result in a material concentration of credit risk.

(a) Exposure to credit risk

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was £189,955,000 and £177,972,000 as at 31 December 2021 and 31 December 2020, respectively, being the total of the carrying amount of balances with banks with high quality credit rating, investments, trade receivables, unbilled receivables, contract assets and other financial assets.

The entity's exposure to credit risk with regards to trade receivables, unbilled receivables and contract assets is influenced mainly by the individual characteristics of each customer in relation to the industry practices and business environment in which they operate. The entity limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 365 days for its customers after which they are in default (credit impaired). To manage this risk, the Company has a robust Credit Management process in place. The Company has adopted a policy of dealing only with creditworthy counterparties. The Company's exposure to the counterparties is continuously monitored and necessary changes to the credit terms are made. None of the customer balances have been written off and no customer balances have been credit impaired at the reporting date.

The following customers form more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at 31 December 2021 and 31 December 2020

(£'000)

	As at December 31, 2021		As at December 31, 2020	
	Amount	%	Amount	%
Customer A	**36,009**	**25.01**	3,948	10.58
Customer B	**40,057**	**27.82**	11,352	30.43
Customer C	**46,911**	**32.58**	16,080	43.10
Customer D	**-**	**-**	3,399	9.11

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances), unbilled receivables and contract assets is as follows:

	As at December 31, 2021		As at December 31, 2020	
	Gross %	Net %	Gross %	Net %
United Kingdom	**100**	**100**	100	100

Geographical concentration of trade receivables, unbilled receivables and contract assets is allocated based on the location of the customers.

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. The expected credit loss allowance is based on the ageing of the days the receivables are due and are as follows:

As at December 31, 2021

(£'Mn)

	Weighted average loss rate	Gross carrying amount*	Provision balance adjusted	Net Amount	Loss amount	Credit impaired
Ageing						
Not Due	**0%**	**31.20**	**-**	**31.20**	**-**	**-**
1-90 days	**0%**	**5.29**	**(3.48)**	**1.81**	**-**	**-**
91-180 days	**0%**	**0.89**	**(2.65)**	**(1.76)**	**-**	**-**
181-272 days	**0%**	**0.00**	**-**	**-**	**-**	**-**
273-364 days	**100%**	**0.00**	**-**	**-**	**-**	**-**
>365 days	**100%**	**0.00**	**-**	**-**	**-**	**-**
TOTAL		**37.38**	**(6.13)**	**31.25**	**-**	**-**

* Gross carrying amount excludes inter-Company receivables

iii. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at 31 December 2021:

(£'000)

	Due 1st year	Due 2nd year	Due 3rd to 5th year	Due after 5th year	Total
Non derivative financial liabilities:					
Trade payables	**83,436**	**-**	**-**	**-**	**83,436**
Lease liability	**4,377**	**2,180**	**1,827**	**-**	**8,384**
Other financial liabilities	**6,268**	**-**	**-**	**-**	**6,268**
Total	**94,081**	**2,180**	**1,827**	**-**	**98,088**

The tables below provide details regarding the contractual maturities of significant financial liabilities as at 31 December 2020:

(£'000)

	Due 1st year	Due 2nd year	Due 3rd to 5th year	Due after 5th year	Total
Non derivative financial liabilities:					
Trade payables	84,430	-	-	-	84,430
Lease liability	4,368	3,934	3,618	-	11,920
Other financial liabilities	7,096	-	-	-	7,096
Total	95,894	3,934	3,618	-	103,446

Other risk – Impact of COVID-19

Financial assets carried at fair value as at 31 December 2021 is £21,500,000 and financial assets carried at amortised cost as at 31 December 2021 is £78,223,000. A significant part of the financial assets carried at fair values are classified as Level 1 having fair values of £21,500,000 as at 31 December 2021. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in liquid securities and accordingly, any material volatility is not expected.

Financial assets of £18,772,000 as at 31 December 2021 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of £34,299,000 as at 31 December 2021 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of delayed payments, increased credit risk and consequential default considering emerging situations while arriving at the carrying value of these assets due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no-recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. The collections pattern from the customers in the current period does not indicate stress beyond what has been factored while computing the allowance for expected credit losses. The same assessment is done in respect of unbilled receivables and contract assets of £109,676,000 as at 31 December 2021 while arriving at the level of provision that is required. Basis this assessment, no credit loss allowance for trade receivables as at 31 December 2021 is considered.

i) Equity instruments

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

(£'000)

	As at December 31, 2021	As at December 31, 2020
a) Authorised		
Ordinary equity shares 2,000,000 of £1 each	**2,000**	2,000
Redeemable preference shares 50,000,000 of £1 each	**50,000**	50,000
b) Issued, Subscribed and Paid Up		
1,000,001 ordinary equity shares of £1 each	**1,000**	1,000

Other reserve of £42,000,000 (2020: £42,000,000) relates to a capital redemption reserve following the redemption of preference shares in previous years. This is a non-distributable reserve.

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

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plans, 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 is required by the Financial Conduct Authority (FCA) to hold sufficient resources to undertake regulated activities on behalf of its clients. As a regulated firm, the Company has a robust governance framework in place, underpinned by several governance committees which report into the Risk Management and Compliance Committee, the Board Audit Committee and ultimately to the Board of Directors. There was no revision in the regulatory capital requirement during the year and no change since the year end; it stands at £27m.

Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having nominal value of £1 each. Each member has one vote for every share of which he is the holder. The Company may by ordinary resolution declare dividends in accordance with the respective rights of members. Every dividend shall be distributed to the appropriate shareholder pro rata according to the number of shares held by them. The Company may by ordinary resolution appropriate a sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of a dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises a 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 its useful life. 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses an incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and 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 Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS 15 Revenue from contracts with customers to allocate the consideration in the contract.

The details of the right-of-use asset held by the Company are as follows:

(£'000)

	Additions for the year ended December 31, 2021	Net Carrying amount as at December 31, 2021
Buildings	**1,032**	**7,405**
Computer equipment	**-**	**-**
Vehicles	**-**	**-**
Office equipment	**-**	**399**
Total	**1,032**	**7,804**

(£'000)

	Additions for the year ended December 31, 2020	Net Carrying amount as at December 31, 2020
Buildings	2,067	10,429
Computer equipment	-	-
Vehicles	-	1
Office equipment	-	540
Total	2,067	10,970

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

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Buildings	**4,056**	3,344
Computer equipment	**-**	37
Vehicles	**1**	10
Office equipment	**141**	141
Total	**4,198**	3,532

Amounts recognised in the statement of profit and loss:

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Depreciation	**4,198**	3,532
Interest on lease liability	**253**	321
Expense relation to short term lease and lease of low value asset	**63**	122
Total	**4,514**	3,975

(£'000)

Amount recognised in statement of cash flow:	Year ended December 31, 2021	Year ended December 31, 2020
Total cash outflow for leases	**4,667**	3,772

The Company has lease term extension options that are not reflected in the measurement of lease liabilities. The present value of future cash outflows for such extension periods is £5.09 million and £5.19 million as at 31 December 2021 and 31 December 2020, respectively.

Lease contracts entered into by the Company largely relate to buildings taken on to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent.

9. 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 values 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	Method	Useful lives
Leasehold improvements	Straight-line	Lease term
Computer equipment	Straight-line	4 years
Furniture and fixtures	Straight-line	5 years
Office equipment and other assets	Straight-line	5 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. 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.

Property, plant and equipment consist of the following:

(£'000)

	Computer equipment	Leasehold improvements	Capital work in progress	Total
Cost as at 1 January 2021	**34,426**	**1,395**	**37**	**35,858**
Additions	**2,720**	**-**	**445**	**3,165**
Cost as at 31 December 2021	**37,146**	**1,395**	**482**	**39,023**
Accumulated Depreciation as at 1 January 2021	**19,091**	**657**	**-**	**19,748**
Depreciation for the year	**6,561**	**286**	**-**	**6,847**
Accumulated Depreciation as at 31 December 2021	**25,652**	**943**	**-**	**26,595**
Net carrying amount as at 31 December 2021	**11,493**	**452**	**482**	**12,428**

(£'000)

	Computer equipment	Leasehold improvements	Capital work in progress	Total
Cost as at 1 January 2020	27,117	1,223	-	28,340
Additions	7,309	172	37	7,518
Cost as at 31 December 2020	34,426	1,395	37	35,858
Accumulated Depreciation as at 1 January 2020	13,541	356	-	13,897
Depreciation for the year	5,550	301	-	5,851
Accumulated Depreciation as at 31 December 2020	19,091	657	-	19,748
Net carrying amount as at 31 December 2020	15,335	738	37	16,110

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b) Other intangible assets

Intangible assets purchased, are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of Pre-contract costs, rights under licensing agreement and software licences.

The following table summarises the nature of intangibles and their estimated useful lives.

Nature of intangible	Useful lives
Pre-contract costs	10-12 years
Software license	License period
Rights under licensing agreement	2-5 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:

(£'000)

	Rights under licensing agreement and software licences
Cost as at 1 January 2021	**6,905**
Additions	**1,904**
Cost as at 31 December 2021	**8,809**
Accumulated amortisation as at 1 January 2021	**4,849**
Amortisation for the year	**684**
Accumulated amortisation as at 31 December 2021	**5,533**
Net carrying amount as at 31 December 2021	**3,276**

(£'000)

	Rights under licensing agreement and software licences
Cost as at 1 January 2020	6,905
Cost as at 31 December 2020	6,905
Accumulated amortisation as at 1 January 2020	4,516
Amortisation for the year	333
Accumulated amortisation as at 31 December 2020	4,849
Net carrying amount as at 31 December 2020	2,056

c) Other assets

Other assets consist of the following:

(£'000)

Other assets – Current	As at December 31, 2021	As at December 31, 2020
Advance to suppliers	-	151
Indirect tax recoverable	**230**	210
Prepaid expenses	**2,323**	2,742
Contract fulfilment costs *	**7,628**	11,036
	10,181	14,139
Contract assets	**77,433**	58,013
Total	**87,614**	72,152

(£'000)

Other assets – Non -Current	As at December 31, 2021	As at December 31, 2020
Prepaid expenses	**81**	741
Contract fulfilment costs *	**4,248**	7,074
Net pension asset – refer note 13b	**5,955**	3,512
	10,284	11,327
Contract assets	**12,799**	31,374
Total	**23,083**	42,701

* Contract fulfilment costs of £12,996k and £10,092k for the year ended 31 December 2021 and 2020, respectively, have been amortised in the profit or loss.

d) Other liabilities

(£'000)

Other liabilities – Current	As at December 31, 2021	As at December 31, 2020
Indirect tax payable and other statutory liabilities	**5,694**	7,186
Others	**34**	69
Total	**5,728**	7,255

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those products or services.

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- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for the supply of such third-party products is recorded either on a gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer respectively.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of the distinct performance obligations involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how a customer consumes benefits as services are rendered or who controls the asset as it is being created or the existence of an enforceable right to payment for performance to date and any 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.

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Contract assets are recognised when there is excess of revenue 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 the billing is in excess of recognised revenue.

The billing schedules agreed with customers include periodic performance-based payments and / or milestone-based progress payments. Invoices are payable within a contractually agreed credit period.

In accordance with IAS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in specification and requirements. The Company reviews any modification in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or the transaction price of an existing obligation could undergo a change. In the event that the transaction price is revised for an existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

The Company generates revenue through the supply of outsourcing services to the UK Financial Services sector primarily in the Life and Pension industry. Revenue disaggregation by nature of services is as follows:

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Consultancy services	**383,440**	388,092
Total	**383,440**	**388,092**

Revenue disaggregation by industry vertical is as follows:

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Banking, financial services and insurance	**383,440**	388,092
Total	**383,440**	**388,092**

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Revenue disaggregation by geography is as follows:

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
United Kingdom	**383,440**	388,092
Total	**383,440**	**388,092**

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

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event-based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is £109,782,074 out of which 58.77% is expected to be recognised as revenue in next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(£'000)

	Year ended 31 December 2021	Year ended 31 December 2020
Balance at the beginning of the year	**89,387**	64,746
Invoices raised that were included in the contract assets balance at the beginning of the year	**(44,791)**	(55,532)
Increase due to revenue recognised during the year, excluding amounts billed during the year	**45,636**	80,173
Balance at the end of the year	**90,232**	89,387

Changes in unearned and deferred revenue are as follows:

(£'000)

	Year ended 31 December 2021	Year ended 31 December 2020
Balance at the beginning of the year	**532**	12,285
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**(532)**	(12,285)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**600**	532
Balance at the end of the year	**600**	532

11. COST RECOGNITION

The costs of the Company are broadly categorised into employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include remuneration, allowances, contribution to various funds and staff welfare expenses. Other operating expenses primarily include fees to external consultants, project expenses, software expenses, facility expenses, travel expenses, communication expenses, and other expenses.

Expenses by nature

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Employee benefit expenses	**176,947**	177,705
Project expenses	**105,103**	102,825
Software expense	**18,219**	18,821
Fees to external consultants and others	**26,247**	14,710
Facility expenses	**6,577**	4,648
Depreciation and amortisation expense	**7,531**	6,184
Right of use assets depreciation	**4,198**	3,532
Travel expenses	**139**	644
Communication expenses	**6,903**	6,881
Other expenses	**16,837**	17,180
Total	**368,701**	353,130

Refer note 13 for function wise bifurcation of employee cost.

Auditor's remuneration:

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
As auditor *	**145**	145
As adviser		
Other assurance services	**91**	-
Total	**236**	145

* This includes a portion of fee paid by the Company's immediate Parent Company to the auditor's associate in India.

12. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the year end date.

Advance taxes and provisions for current income taxes are presented in the statements of financial position after off-setting advance tax paid and income tax provision.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

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.

The income tax expense consists of the following:

(£'000)

Current tax	Year ended December 31, 2021	Year ended December 31, 2020
Current tax charge	**2,951**	6,613
Prior period adjustment	**26**	-
	2,977	6,613
Deferred tax		
Deferred tax credit	**(1,082)**	(333)
	(1,082)	(333)
Income tax expense	**1,895**	6,280

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit or loss is as follows:

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Profit before tax	**14,502**	34,459
Statutory income tax rate	**19%**	19%
Expected income tax expense	**2,755**	6,547
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Income exempt from tax	**47**	(2)
Tax on income at different rates	**(938)**	(265)
Prior period adjustment	**26**	-
Disallowable expenses	**5**	-
Income tax expense	**1,895**	6,280

On 24 May 2021, a change to the future corporation tax rate was substantively enacted. The corporation tax rate is to increase from 19% to 25% for the tax years starting on or after 1 April 2023. The deferred tax assets and liabilities at 31 December 2021 have been calculated based on these rates.

Deferred tax balance on defined benefit plan has been calculated at 25% basis the Company's intention to buy-out the plan with an insurance company to secure all benefits at an appropriate time.

Significant components of net deferred tax assets and liabilities for the year ended 31 December 2021 are as follows:

(£'000)

	Opening balance	Recognised in profit or loss	Recognised in / other comprehensive income	Closing Balance
Deferred tax assets / (liabilities) in relation to				
Property, plant and equipment and intangible assets	**1,739**	**1,242**	**-**	**2,981**
Provision for employee benefits and compensated absences	**(294)**	**(236)**	**(506)**	**(1,036)**
IFRS 16	**63**	**-**	**-**	**63**
Others	**296**	**76**	**-**	**372**
Total deferred tax assets / (liabilities)	**1,804**	**1,082**	**(506)**	**2,380**

(£'000)

As at 31 December 2021	Assets	Liabilities	Total
Property, plant and equipment and intangible assets	**2,981**	**-**	**2,981**
Provision for employee benefits and compensated absences	**453**	**(1,489)**	**(1,036)**
IFRS 16	**63**	**-**	**63**
Others	**372**	**-**	**372**
Total deferred tax asset / (liabilities)	**3,869**	**(1,489)**	**2,380**

Significant components of net deferred tax assets and liabilities for the year ended 31 December 2020 are as follows:

(£'000)

	Opening balance	Recognised in profit or loss	Recognised in / other comprehensive income	Closing Balance
Deferred tax assets / (liabilities) in relation to				
Property, plant and equipment and intangible assets	1,389	350	-	1,739
Provision for employee benefits and compensated absences	(423)	(28)	157	(294)
IFRS 16	63	-	-	63
Others	285	11	-	296
Total deferred tax assets / (liabilities)	1,314	333	157	1,804

(£'000)

As at 31 December 2020	Assets	Liabilities	Total
Property, plant and equipment and intangible assets	1,739	-	1,739
Provision for employee benefits and compensated absences	372	(666)	(294)
IFRS 16	63	-	63
Others	296	-	296
Total deferred tax asset / (liabilities)	2,470	(666)	1,804

13. 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 Directors believe there is a right to recognise a pension surplus on an accounting basis under the Trust deeds and rules. The Directors do not believe that the surplus in the Pension scheme on an accounting basis will result in a surplus on an actuarial funding basis. However, the Directors are required to account for the plans based on the Group's legal right to benefit from a surplus, using long-term actuarial funding assumptions current at the reporting date, as required by IFRS and IFRIC 14. This is a technical adjustment made on an accounting basis. There is no cash benefit from the surplus.

Defined contribution plans

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

Compensated absences

Compensated absences that are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an undiscounted liability at the date of statement of financial position.

Employee benefit expenses consist of the following:

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Salaries, incentives and allowances	**150,937**	149,984
Social security and pension costs	**23,231**	24,701
Staff welfare expenses	**2,779**	3,020
Total	**176,947**	177,705

(£'000)

The average number of employees was as follows:	Year ended December 31, 2021	Year ended December 31, 2020
Administration	**5,000**	5,028

Employee benefit obligations consist of the following:

a) Employee benefit obligations - Current

(£'000)

	As at December 31, 2021	As at December 31, 2020
Compensated absences	**1,810**	1,959
Total	**1,810**	1,959

b) Employee benefit obligations – Non - Current

(£'000)

	As at December 31, 2021	As at December 31, 2020
Net defined benefit pension asset	**5,955**	3,512
Total	**5,955**	3,512

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Defined contribution scheme

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total cost charged to the profit and loss account of £11,248,627 (2020: £11,619,657) represents contributions payable to these schemes.

Employee benefit plans

The following table sets out the details of the defined benefit retirement plans and the amount recognised in the financial statements.

The Company operates a defined benefit pension scheme for the benefit of certain employees. The scheme is closed to new joiners. During 2007/8 certain employees transferred under Transfer of Undertaking (Protection of Employment) TUPE to TCS Limited. Therefore, the pension scheme is a group scheme. As a majority of staff remained within the Company and consolidated accounts including TCS are not available in the UK, the pension scheme has been reported fully in these financial statements.

The plan closed to future accrual on 31 March 2014 with current active members receiving a deferred pension in the plan.

The pension scheme assets are held in a separate Trustee administered fund to meet long term pension liabilities to past and present employees. The Trustees of the fund are required to act in the best interests of the fund's beneficiaries. The appointment of Trustees to the fund is determined by the scheme's trust documentation.

Costs and liabilities of the scheme are based on actuarial valuations. The latest full actuarial valuation was carried out as of 31 March 2018 and updated to 31 December 2021 by a qualified independent actuary.

The Company contributes to the scheme expenses and makes contributions to achieve the scheme secondary funding target of self-sufficiency. This enables the company to be aware of its liabilities to the scheme and helps its intension to buy-out with an insurance company to secure all benefits at an appropriate time.

The movement in the present value of defined benefit obligations during the year were as follows:

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Plan liabilities at the beginning of the year	**40,967**	33,814
Interest costs	**506**	671
Actuarial loss / (gain) on liabilities	**(2,679)**	7,052
Benefits paid from plan assets	**(905)**	(570)
Plan liabilities at the end of the year	**37,889**	40,967

The movement in the fair value of scheme assets during the year was as follows:

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Fair value of assets at the beginning of the year	**44,479**	37,716
Actuarial return on assets	**(225)**	6,838
Employer contributions	**495**	495
Benefits paid	**(905)**	(570)
Fair value of assets at the end of the year	**43,844**	44,479

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Notes forming part of the Financial Statements

The amount included in the balance sheet arising from the Company's obligations in respect of its defined benefit retirement benefit schemes is as follows:

(£'000)

	As at December 31, 2021	As at December 31, 2020
Fair value of assets	**43,844**	44,479
Present value of scheme liabilities	**(37,889)**	(40,967)
Net pension asset	**5,955**	3,512

The analysis of the scheme assets at the balance sheet date was as follows:

(£'000)

	Fair value of assets	
	As at December 31, 2021	As at December 31, 2020
Bonds	**15,858**	15,703
Cash	**2,382**	342
Diversified Growth Funds	**12,312**	11,731
Liability Driven Investment	**13,292**	16,703
Total	**43,844**	44,479

The amounts charged to the profit and loss account in the year were:

(£'000)

	Year ended December 31, 2021	Year ended 31 December 2020
Current scheme expenses	**121**	140
Total	**121**	140

Other finance cost comprises:

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Interest on plan liabilities	**506**	671
Expected return on assets in the plan	**(553)**	(752)
Total	**(47)**	(81)

The amount recognised in the other comprehensive income is:

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Actual return less interest on pension scheme assets	**(657)**	6,226
Change in the assumptions underlying the present value of the scheme liabilities	**2,679**	(7,052)
Total before adjustment for tax	**2,022**	(826)
Adjustment for tax	**(506)**	157
Total gain / (loss) recognised in the statement of comprehensive income	**1,516**	(669)

The cumulative amount of actuarial gains and losses recognised in other comprehensive income since the creation of the pension scheme is £5,235,000 (December 2020: £3,719,000).

The main assumptions used by the actuary were:

(% p.a.)

	31 December 2021 % p.a.	31 December 2020 % p.a.
Discount rate	**1.80**	1.25
Rate of increase of pensions in payment	**2.80**	2.35
Retail Price Index (RPI) inflation	**3.40**	2.90

The Company has updated its approach since the prior year to setting its CPI inflation assumptions in light of the RPI reform consultation published on the 25th November 2020 by the UK Chancellor and UK Statistics Authority.

Based on the discount of 1.80% the estimate duration of the defined benefit obligation as at December 2021 is 20 years.

Estimated contributions to be made to the plan by the Company in the year ending 31 December 2022 amount to £495k. This estimate is in line with the annual employer contribution of £495k, made up of funding contributions of £375k and scheme expenses of £120k, that was approved by the Board in April 2019.

COVID-19 had a potential impact on the Plans investments in 2020, but that didn't materialise fully. Going forward COVID-19 seems to be a less relevant risk when compared to other continuing risk factors to investments.

Risks associated with the pension scheme

The defined benefit scheme exposes the Company to various risks, with the key risks set out below:

Asset volatility: the plan's defined benefit obligation is calculated using a discount rate set with reference to corporate bond yields, however the plan invests significantly in Diversified Growth Funds ('DGFs'). These assets are expected to outperform corporate bonds in the long-term but provide volatility and risk in the short-term.

Changes in bond yields: a decrease in corporate bond yields would increase the plan's defined benefit obligation, however this would be offset by an increase in the value of the plan's LDI assets. Although the LDI assets are linked with gilt yields, there is still expected to be a strong correlation with corporate bond yields.

Inflation risk: a significant proportion of the plan's defined benefit obligation is linked to inflation, therefore higher inflation will result in a higher defined benefit obligation (subject to the appropriate caps in place). The majority of the plan's LDI assets are also correlated with inflation and therefore changes to inflation would have minor impacts on the plan's funding.

Life expectancy: if plan members live longer than expected, the plan's benefits will need to be paid for longer, increasing the plan's defined benefit obligation.

The Trustees manage risks in the plan through the following strategies:

- Diversification: investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.
- Investment strategy: the Trustees are required to review their investment strategy on a regular basis.

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions while holding other assumptions constant would have affected the defined benefit obligation by the amounts shown below.

(£'000)

	December 31, 2021 Increase	December 31, 2021 Decrease	December 31, 2020 Increase	December 31, 2020 Decrease
Discount rate (0.5% movement)	**(3,410)**	**4,168**	(4,097)	4,506
RPI Inflation (0.5% movement)	**1,137**	**(1,516)**	2,458	(2,868)
Assumed life expectancy (1 year)	**1,137**	**-**	1,638	-

Assumptions

The mortality assumptions have been updated based on the preliminary results of the 2021 actuarial valuation (but using a best estimate assumption) and are consistent with the previous period.

Expected Lifetime at 31 December 2021

The expected lifetime of a participant who is age 60 and the expected lifetime (from age 60) of a participant who will be aged 60 in 20 years are shown in years below

Age	Males	Females
60	26.2	28.2
60 in 20 years	27.3	29.4

Movement in related deferred tax liability

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Related deferred tax liability at beginning of year	**(651)**	(736)
Recognised through profit and loss account	**(332)**	(71)
Recognised through statement of comprehensive income	**(506)**	156
Related deferred tax liability at end of year	**(1,489)**	(651)

Projected benefits payable in future years from the end of the current year

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
1st following year	**486**	477
2nd following year	**484**	560
3rd following year	**551**	549
4th following year	**723**	649
5th following year	**724**	813
Years 6 to 10	**5,001**	4,811

The movement in the surplus during the year was:

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Surplus in the plan at the beginning of the year	**3,512**	3,902
Current service costs	**(121)**	(140)
Contributions paid	**495**	495
Other finance income	**47**	81
Actuarial gain / (loss)	**2,022**	(826)
Surplus in the plan at the end of the year	**5,955**	3,512

14. DIRECTORS REMUNERATION

Remuneration in respect of directors during the year was as follows:

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Emoluments (excluding pension contributions)	**528**	405
Company contributions to defined contribution schemes	**12**	11
	540	416

During the year, no directors (2020: none) participated in defined benefit pension schemes.

The emoluments disclosed in the notes to these accounts are in respect of the directors with qualifying services for the Company and in relation to those directors comprises their total emoluments in respect of services to the Company.

(£'000)

Highest paid director's remuneration:	Year ended December 31, 2021	Year ended December 31, 2020
Aggregate amount of emoluments (excluding pension contributions)	**458**	333
Pension contributions to defined contribution schemes	**12**	11
	470	344

15. COMMITMENTS AND CONTINGENCIES

Commitments

The Company has contractually committed £672,215 and £584,774 as at 31 December 2021 and 2020, respectively, for purchase of property, plant and equipment.

Contingencies

The Company has no material contingencies to the best knowledge of the Directors as at 31 December 2021 and 31 December 2020

16. RELATED PARTY TRANSACTIONS

The Company's principal related parties consist of its holding company TCS Limited, its subsidiaries, key managerial personnel, directors and their dependents. All transactions are conducted on normal commercial terms and settled through cash payments / receipts. None of the balances are secured. No expense has been recognised in the current or prior period for bad or doubtful debts in respect of amounts owed by related parties.

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Services received from TCS Limited	**100,476**	99,359
Services provided to TCS Limited	**3,676**	3,503
Expenses recharged to TCS Limited	**1,269**	308
Expenses recharged by TCS Limited	**2,581**	2,585
Dividend paid to TCS Limited	**5,000**	10,000
Services received from TCS Ireland Limited	**117**	-

(£'000)

	As at December 31, 2021	As at December 31, 2020
Amounts due from TCS Limited	**3,286**	832
Amounts owed to TCS Limited	**59,964**	61,915
Amounts owed to TCS Ireland Limited	**117**	-

Tata Communications Limited ("TCOM") is fellow subsidiary of TCS Limited and Titan Company Limited ("TITAN") is associate of holding company of TCS Limited. The following transactions and balances are all conducted on an arm's length basis and settled through cash payments.

(£'000)

	Year ended December 31, 2021	Year ended December 31, 2020
Services received from TCOM	**1,404**	1,279
Services received from TITAN	**3**	-

There are no amounts due to TCOM and TITAN as on 31 December 2021.

17. SUBSEQUENT EVENTS

There are no adjusting or non-adjusting post balance sheet event that require disclosure.

18. PARENT UNDERTAKINGS

The Company's immediate parent undertaking and controlling entity is Tata Consultancy Services Limited ("TCS"), a Company incorporated in India which is registered as a foreign Company in the United Kingdom. The registered office is 9th Floor, Nirmal Building, Nariman Point, Mumbai, 400 021, India. The Company's ultimate parent undertaking and controlling entity is Tata Sons Private Limited whose registered office is Bombay House, 24 Homi Mody Street, Mumbai, 400 001, India. The smallest and largest Company accounts in which these results are consolidated are TCS and Tata Sons Private Limited respectively.

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TATA AMERICA INTERNATIONAL CORPORATION

(Company Registration Number: 13-2805758)

FINANCIAL STATEMENTS

For the year ended
March 31, 2022

FINANCIAL STATEMENTS OF TATA AMERICA INTERNATIONAL CORPORATION

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
TATA AMERICA INTERNATIONAL CORPORATION

Opinion

We have audited the accompanying financial statements of Tata America International Corporation ("the Company"), which comprise the Balance Sheet as of March 31, 2022 and the statements of Profit or Loss and other comprehensive income, the statement of changes in equity, and cash flows for the years then ended, and the related notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tata America International Corporation as of March 31, 2022 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bengaluru, India
Date: May 17, 2022

For KPMG
Chartered Accountants

Statement of Financial Position

(in millions of USD)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	8	**0.90**	5.93
Investments	9(a)	**36.50**	9.00
Trade receivables			
Billed	10	**330.55**	239.45
Unbilled		**1.83**	0.81
Other financial assets	11(a)	**1.44**	3.37
Other assets	16(c)	**7.28**	6.85
Total current assets		**378.50**	265.41
Non-current assets			
Investments	9(b)	**3.73**	4.32
Other financial assets	11(b)	**1.20**	1.40
Deferred tax assets (net)	20	**12.44**	12.77
Property, plant and equipment	16(a)	**24.26**	28.61
Intangible asset[1]	16(b)	**-**	-
Right-of-use assets	15	**96.27**	72.36
Other assets[1]		**-**	-
Total non-current assets		**137.90**	119.46
TOTAL ASSETS		**516.40**	384.87
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables		**181.10**	73.25
Lease liabilities		**16.68**	14.02
Other financial liabilities	12	**39.41**	42.35
Unearned and deferred revenue		**3.45**	2.38
Employee benefit obligations	21(a)	**13.68**	13.73
Income tax liabilities (net)		**6.13**	2.24
Other liabilities	16(d)	**2.88**	7.08
Total current liabilities		**263.33**	155.05
Non-current liabilities			
Lease liabilities		**92.15**	69.80
Employee benefit obligations	21(b)	**0.03**	0.04
Total non-current liabilities		**92.18**	69.84
TOTAL LIABILITIES		**355.51**	224.89
Equity			
Share capital	14	**0.20**	0.20
Share premium		**1.26**	1.26
Retained earnings		**159.43**	158.52
TOTAL EQUITY		**160.89**	159.98
TOTAL LIABILITIES AND EQUITY		**516.40**	384.87

[1]The net carrying amount of intangible asset & non current other asset as at March 31, 2022 and March 31, 2021 is less than USD 0.01 million

See accompanying notes to financial statements

Statement of Profit or Loss and Other Comprehensive Income

(in millions of USD)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	17	**51.44**	39.41
Commission - agency services	17	**456.60**	376.81
TOTAL REVENUE		**508.04**	416.22
Expenses			
Employee benefits expenses	21	**284.26**	247.84
Depreciation and amortisation expense	16(a) & 15	**22.18**	20.16
Other expenses	18	**82.31**	33.58
Total expenses		**388.75**	301.58
OPERATING PROFIT		**119.29**	114.64
Other income / (expense)			
Finance and other income	19(a)	**14.10**	11.88
Finance costs (net)	19(b)	**(3.52)**	(3.44)
Other (losses) / gains (net)	19(c)	**0.04**	1.44
Other income / (expense) (net)		**10.62**	9.88
PROFIT BEFORE TAXES		**129.91**	124.52
Income tax expense	20	**33.41**	34.03
PROFIT FOR THE YEAR		**96.50**	90.50
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of investments in equity shares carried at fair value through OCI		**(0.59)**	(0.26)
TOTAL OTHER COMPREHENSIVE LOSSES		**(0.59)**	(0.26)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**95.91**	90.24

See accompanying notes to financial statements

Statement of Changes in Equity

(in millions of USD, except share data)

	Number of shares	Equity Share capital	Share premium	Retained earnings	Total equity
BALANCE AS AT APRIL 1, 2020	20,000	0.20	1.26	203.28	204.74
Profit for the year	-	-	-	90.50	90.50
Other comprehensive income	-	-	-	(0.26)	(0.26)
TOTAL COMPREHENSIVE INCOME	-	-	-	90.24	90.24
Dividend (including tax on dividend of USD 20.25 million)	-	-	-	(135.00)	(135.00)
BALANCE AS AT MARCH 31, 2021	20,000	0.20	1.26	158.52	159.97
BALANCE AS AT APRIL 1, 2021	**20,000**	**0.20**	**1.26**	**158.52**	**159.97**
Profit for the year	**-**	**-**	**-**	**96.50**	**96.50**
Other comprehensive income	**-**	**-**	**-**	**(0.59)**	**(0.59)**
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**95.91**	**95.91**
Dividend (including tax on dividend of USD 14.25 million)	**-**	**-**	**-**	**(95.00)**	**(95.00)**
BALANCE AS AT MARCH 31, 2022	**20,000**	**0.20**	**1.26**	**159.43**	**160.89**

See accompanying notes to financial statements

Statement of Cash Flows

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**96.50**	90.50
Adjustment to reconcile profit or loss to net cash generated from operating activities:		
Depreciation expense	**22.18**	20.16
Net gain on disposal of property, plant and equipment	**-**	0.72
Income tax expense	**33.41**	34.03
Bad debts and advances written (back)off, allowances for doubtful trade receivables and advances (net)	**(0.03)**	(0.41)
Net gain on lease modification	**-**	(0.61)
Interest Income	**-**	(0.03)
Finance cost	**-**	0.18
Lease concession received due to COVID 19	**-**	0.21
Operating profit before working capital changes	**152.06**	144.75
Net change in:		
Trade receivables		
Billed	**(91.07)**	(27.61)
Unbilled	**(1.02)**	0.86
Other financial assets	**2.13**	6.37
Other assets	**(0.43)**	(0.88)
Trade payables and provisions	**107.84**	50.79
Unearned and deferred revenue	**1.08**	0.40
Other financial liabilities	**(3.62)**	(2.75)
Other liabilities	**(4.26)**	3.91
Cash generated from operations	**162.71**	175.83
Taxes paid (net of refunds)	**(29.22)**	(33.20)
Net cash generated from operating activities	**133.49**	142.63
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of investments	**(362.50)**	(47.00)
Proceeds from disposal/redemption of investments	**335.00**	38.00
Payment for purchase of property, plant and equipment	**(1.32)**	(4.35)
Net cash generated from / (used in) investing activities	**(28.82)**	(13.35)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	**(14.70)**	(12.47)
Finance cost	**-**	(0.15)
Dividend paid (including tax on dividend)	**(95.00)**	(135.00)
Net cash used in financing activities	**(109.70)**	(147.61)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(5.03)**	(18.33)
Cash and cash equivalents at the beginning of the year	**5.93**	24.26
Cash and cash equivalents at the end of the year	**0.90**	5.93
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	**3.52**	3.44
Interest Received	**0.45**	0.03

See accompanying notes forming part of the financial statements

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Notes to Financial Statements

1. CORPORATE INFORMATION

Tata America International Corporation ("the Company") entered into a sales and marketing service agreement with Tata Consultancy Services Limited [TCS or the parent company] effective 1st April 2018, wherein the Company acts as non-exclusive sales and marketing service provider to market its services in the US. The Company's functions included sales, pre-sales and marketing activities, market research, identifying & pursuing customers, etc.

Additionally, The Company enters into contracts with customers for provision of consulting-led integrated portfolio of information technology (IT) and IT-enabled services and sub-contracts the execution of such work to its parent company TCS, an Indian Corporation

The Company is incorporated and domiciled in the Unites States of America. The address of its corporate office is Tata America International Corporation, 101, Park Avenue, 26th floor, New York 10178. As at March 31, 2022, Tata Consultancy Services Ltd owned 100% of the Company's equity share capital.

The financial statements were approved by the Board of Directors and authorized for issue on May 16, 2022.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB).

3. BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortized 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 or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and reporting currency of the company is United States Dollar (USD). 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 recognized in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the 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 recognized in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

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

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. 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.

d. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognized 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 utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provision and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to assess contingent liabilities. Contingent liabilities are recognized when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

f . Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

g . Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

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

b. Share premium

Share premium is used to record the premium on issue of shares.

6. RECENT ACCOUNTING STANDARDS

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

Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

[1]Effective for annual periods beginning on or after January 1, 2023.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

Tata America International Corporation considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized 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 recognized in profit or loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognized by the Company are recognized at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

(in millions of USD)

	As at March 31, 2022	As at March 31, 2021
Cash at banks	**0.90**	5.93
Total	**0.90**	5.93

9. INVESTMENTS

Investments consist of the following:

(a) Investments – Current

(in millions of USD)

	As at March 31, 2022	As at March 31, 2021
Investments carried at fair value through profit or loss		
Mutual fund units	**36.50**	9.00
Total	**36.50**	9.00

(b) Investments – Non-current

(in millions of USD)

	As at March 31, 2022	As at March 31, 2021
Investments designated at fair value through OCI (FVT OCI)		
Equity shares	**17.50**	17.50
Less : Permanent impairment FVTOCI Investments	**(13.77)**	(13.18)
Total	**3.73**	4.32

The Company impaired its investment of USD 10 million in Mozido LLC, in FY 2017-18 as it was continuously incurring operating losses and there was no visibility available on its revival / growth plans.

The Company impaired its investment of USD 2.92 million in FCM LLC, in FY 2019-20 as it was continuously incurring operating losses and there was no visibility available on its revival / growth plans.

The Company impaired its investment of USD 0.26 million in FCM, LLC, in FY 2020-21 as it was continuously incurring operating losses and there was no visibility available on its revival / growth plans.

The Company impaired USD 0.59 million in current year out of its total USD 7.5 million investment in FCM, LLC, based on the losses incurred till date and visibility on its earning capability in future years.

The movement in fair value of investments carried / designated at fair value through OCI is as follows:

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**4.32**	4.58
Net loss arising on revaluation of investments in equities carried at fair value through other comprehensive income.	**(0.59)**	(0.26)
Balance at the end of the year	**3.73**	4.32

10. TRADE RECEIVABLES - BILLED

Trade receivables consist of the following:

(in millions of USD)

Trade receivables - Billed - Current	As at March 31, 2022	As at March 31, 2021
Trade receivables - Billed	**343.77**	257.56
Less: Allowance for doubtful trade receivables - Billed	**(13.22)**	(18.11)
Total	**330.55**	239.45

Trade receivables include balances with related parties (Refer note 23).

11. OTHER FINANCIAL ASSETS

Other financial assets consist of the following:

(a) Other financial assets - Current

(in millions of USD)

	As at March 31, 2022	As at March 31, 2021
Employee loans and advances	**0.22**	0.27
Volume discount receivable*	**1.09**	2.93
Others	**0.13**	0.17
Total	**1.44**	3.37

*Volume discount receivable include balances with related parties (Refer note 23)

(b) Other financial assets – Non-current

(in millions of USD)

	As at March 31, 2022	As at March 31, 2021
Security deposits	**0.45**	0.47
Utility deposits	**0.75**	0.93
Total	**1.20**	1.40

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12. OTHER FINANCIAL LIABILITIES

Other financial liabilities consist of the following:

Other financial liabilities – Current

(in millions of USD)

	As at March 31, 2022	As at March 31, 2021
Capital creditors	**0.37**	1.05
Liabilities towards customer contracts	**1.81**	4.00
Accrued payroll	**35.83**	35.27
Security deposits	**-**	0.03
Liabilities towards related party *	**1.40**	2.00
Total	**39.41**	42.35

* Liability towards related party is due to assignment agreement where customer paid the money to the Company instead of TCS on account of which the Company is now liable to pay TCS the said amount.

13. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

(in millions of USD)

	Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	0.90	0.90
Trade receivables				
Billed	-	-	330.55	330.55
Unbilled	-	-	1.83	1.83
Investments	36.50	3.73	-	40.23
Other financial assets	-	-	2.64	2.64
Total	36.50	3.73	335.92	376.15
Financial liabilities				
Trade payables	-	-	181.10	181.10
Lease liabilities	-	-	108.82	108.82
Other financial liabilities	-	-	39.41	39.41
Total	-	-	329.33	329.33

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(in millions of USD)

	Fair value through Profit or Loss	Fair value through Other Comprehensive Income	Amortised cost	Total carrying value
Financial assets				
Cash and cash equivalents	-	-	5.93	5.93
Trade receivables				
Billed	-	-	239.45	239.45
Unbilled	-	-	0.81	0.81
Investments	9.00	4.32	-	13.32
Other financial assets	-	-	4.77	4.77
Total	9.00	4.32	250.96	264.28
Financial liabilities				
Trade payables	-	-	73.25	73.25
Lease liabilities	-	-	83.82	83.82
Other financial liabilities	-	-	42.35	42.35
Total	-	-	199.42	199.42

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at March 31, 2022 and 2021 approximate the fair value due to their nature. Carrying amounts of bank deposits, 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 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 in 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 summarizes 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):

(in millions of USD)

	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Financial assets				
Mutual fund units	**36.50**	**-**	**-**	**36.50**
Equity Shares	**-**	**-**	**3.73**	**3.73**
Total	**36.50**	**-**	**3.73**	**40.23**

(in millions of USD)

	Level 1	Level 2	Level 3	Total
As at March 31, 2021				
Financial assets				
Mutual fund units	9.00	-	-	9.00
Equity shares	-	-	4.32	4.32
Total	9.00	-	4.32	13.32

Reconciliation of level 3 fair value measurement is as follows:

(in millions of USD)

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	**4.32**	4.58
Disposals during the year	**-**	-
Impairment in value of investments	**(0.59)**	(0.26)
Balance at the end of the year	**3.73**	4.32

(a) Financial risk management

Tata America International Corporation is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities.

i. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

(a) Foreign currency exchange rate risk

The Company is not significantly exposed to foreign currency exchange rate risk.

(b) Interest rate risk

The Company is not significantly exposed to interest rate risk.

ii. Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investment, cash and cash equivalents and other financial assets. Cash and cash equivalents include an amount of USD 0.90 million held with a bank in USA having high quality credit rating which are individually in excess of 10% or more of the company's total cash and cash equivalents as at March 31, 2022. None of the other financial instruments of the company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was USD 376.76 million and USD 264.28 million as at March 31, 2022 and 2021, respectively, being the total of the carrying amount of balances with banks, investments, trade receivables, unbilled receivables, contract assets and other financial assets.

Customers contributing to more than 10% of outstanding trade receivable, unbilled receivables and contract assets as at March 31, 2022 and 2021 respectively are as follows:

(in millions of USD)

	As at March 31, 2022		As at March 31, 2021	
	Total trade receivable and contract assets	**Percentage**	Total trade receivable and contract assets	Percentage
Parent Company	**269.01**	**80.79%**	203.92	84.87%

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances) and contract assets is as follows:

	As at March 31, 2022	As at March 31, 2021
India	**80.79%**	84.90%
Americas	**19.12%**	14.98%
Others	**0.10%**	0.12%

Geographical concentration of trade receivables and contract assets is allocated based on the location of the customers.

The allowances for lifetime expected credit loss on trade receivables for the year ended March 31, 2022 and 2021 was USD 0.01 million and USD 0.02 million respectively. The reconciliation of allowance for doubtful trade receivables is as follows :

(in millions of USD)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Balance at the beginning of the year	**18.11**	18.48
Allowance for doubtful receivables	**0.01**	0.02
Amounts written back during the year	**(4.90)**	(0.39)
Balance at the end of the year	**13.22**	18.11

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

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The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(in millions of USD)

March 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	**181.10**	**-**	**-**	**-**	**181.10**
Lease liabilities	**19.88**	**19.55**	**47.00**	**36.12**	**122.55**
Other financial liabilities	**39.41**	**-**	**-**	**-**	**39.41**
Total	**240.39**	**19.55**	**47.00**	**36.12**	**343.06**

(in millions of USD)

March 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	73.25	-	-	-	73.25
Lease liability	16.23	15.49	34.94	28.97	95.63
Other financial liabilities	42.35	-	-	-	42.35
Total	131.83	15.49	34.94	28.97	211.23

14. EQUITY INSTRUMENTS

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

(in millions of USD)

	As at March 31, 2022	As at March 31, 2021
(a) Authorised		
Equity shares of USD 10.00 each (20,000 shares and 20,000 shares)	**0.20**	0.20
	0.20	0.20
(b) Issued, Subscribed and Fully paid up		
Equity shares of USD 10.00 each (20,000 shares and 20,000 shares)	**0.20**	0.20
Total	**0.20**	0.20

The Company's objective for capital management is to maximize 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.

Fully paid equity shares, which have a par value of USD 10.00 each carry one vote per share and have a right to dividend. Dividend can be declared out of retained earnings. In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

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15. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognizes 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 assets 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 assets 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 recognized in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognizes 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 Company recognizes any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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 recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognizes 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 recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS 15 – Revenue from contracts with customers to allocate the consideration in the contract.

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The details of the right-of-use asset held by the Company is as follows:

(in millions of USD)

	Additions for the year ended March 31, 2022	Net carrying amount as at March 31, 2022
Buildings	**25.48**	**96.27**
Total	**25.48**	**96.27**

(in millions of USD)

	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Buildings	11.08	72.36
Total	11.08	72.36

Depreciation on right-of-asset is as follows:

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
Buildings	**15.82**	13.45
Total	**15.82**	13.45

Interest on lease liabilities is USD 3.33 million and USD 3.36 million for the year ended on March 31, 2022 and 2021 respectively.

The Company incurred USD 1.05 million and USD 1.33 million for the year ended March 31, 2022 and 2021 respectively towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is USD 19.08 million and USD 17.05 million for the year ended March 31, 2022 and 2021 respectively, including cash outflow for short-term leases and leases of low-value assets.

The Company does not have lease term extension options that are not reflected in the measurement of lease liabilities.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

16. NON-FINANCIAL ASSETS AND 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 values 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.

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The estimated useful lives are as mentioned below:

Type of Asset	Useful life (in years)
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 recognized in profit or loss.

Property, plant and equipment consist of the following:

(in millions of USD)

	Freehold land	Buildings	Leasehold improvements	Computer equipments	Plant and machinery	Furniture and fixtures	Office equipments and other assets	Total
Cost as at April 1, 2021	**3.31**	**11.84**	**19.67**	**14.22**	**1.48**	**14.22**	**17.46**	**82.20**
Additions	**-**	**-**	**0.08**	**1.22**	**-**	**1.14**	**0.14**	**2.58**
Disposals	**-**	**-**	**4.02**	**1.08**	**-**	**0.27**	**0.43**	**5.80**
Cost as at March 31, 2022	**3.31**	**11.84**	**15.73**	**14.35**	**1.48**	**15.09**	**17.17**	**78.98**
Accumulated depreciation as at April 1, 2021	**-**	**6.41**	**13.31**	**11.67**	**0.52**	**11.04**	**12.65**	**55.61**
Disposals	**-**	**-**	**4.02**	**1.08**	**-**	**0.27**	**0.43**	**5.80**
Depreciation for the year	**-**	**0.70**	**1.51**	**1.44**	**0.15**	**1.20**	**1.36**	**6.36**
Accumulated depreciation as at March 31, 2022	**-**	**7.11**	**10.80**	**12.03**	**0.67**	**11.97**	**13.58**	**56.17**
Net carrying amount as at March 31, 2022	**3.31**	**4.73**	**4.93**	**2.32**	**0.81**	**3.12**	**3.59**	**22.82**
Capital work-in-progress								**1.45**
Total								**24.26**

*USD 2.58 million has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2022.

(in millions of USD)

	Freehold land	Buildings	Leasehold improvements	Computer equipments	Plant and machinery	Furniture and fixtures	Office equipments and other assets	Total
Cost as at April 1, 2020	3.31	11.84	19.03	14.06	1.48	13.36	15.82	78.90
Additions	-	-	1.12	1.10	-	1.29	1.77	5.28
Disposals	-	-	0.48	0.94	-	0.43	0.13	1.98
Cost as at March 31, 2021	3.31	11.84	19.67	14.22	1.48	14.22	17.46	82.20
Accumulated depreciation as at April 1, 2020	-	5.71	11.84	11.05	0.37	10.05	11.12	50.14
Disposals	-	-	0.09	0.94	-	0.20	0.02	1.25
Depreciation for the year	-	0.70	1.57	1.56	0.15	1.18	1.55	6.71
Accumulated depreciation as at March 31, 2021	-	6.41	13.31	11.67	0.52	11.04	12.65	55.60
Net carrying amount as at March 31, 2021	3.31	5.43	6.36	2.54	0.96	3.18	4.81	26.59
Capital work-in-progress								2.02
Total								28.61

*USD 5.28 million has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.

b. Intangible assets

Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any. Intangible assets consist of software licenses. Following table summarises the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Software license	4 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.

c. Other assets

Other assets consist of the following:

Other assets – Current

(in millions of USD)

	As at March 31, 2022	As at March 31, 2021
Advances to suppliers	**0.06**	0.42
Indirect tax recoverable	**4.75**	4.75
Prepaid expenses	**1.41**	0.72
Contract assets	**0.61**	-
Contract full fillment costs	**0.26**	0.23
Others	**0.19**	0.73
Total	**7.28**	6.85

Contract fulfillment costs of USD 0.23 million and USD Nil for the years ended March 31, 2022 and March 31, 2021, respectively, have been amortised in the profit or loss. Refer note 10 for changes in contract assets.

d. Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

(in millions of USD)

	As at March 31, 2022	As at March 31, 2021
Advance received from customers	**0.01**	1.20
Indirect tax payable and other statutory liabilities	**2.85**	5.80
Others	**0.02**	0.08
Total	**2.88**	7.08

17. REVENUE RECOGNITION

The Company, a wholly owned subsidiary of Tata Consultancy Services Limited, India, primarily operates as a sales and marketing entity for the holding company. The Company is engaged in the business of promoting, marketing and delivery of software services and products, information technology and information technology enabled services, in the US to third parties. The Company also earns some revenue from providing IT services, consulting and business solutions, directly to customers.

Whenever the Company acts in the capacity of a sales and marketing agent it recognizes revenue for the agreed commission based on the commercial arrangement it has entered with the holding company. Such contracts have a single performance obligation which is the promise to transfer the marketing and promotional services. The revenue is recognized over time by utilizing the month as unit of measurement. The Company has applied the practical expedient to recognize revenue for services over the term of the agreement in proportion to the amount it has right to invoice the customer.

Where the Company enters into a contract with a customer to provide IT services directly to the customer, the Company controls the services to be provided to the customer, and has therefore, determined that it is acting in the capacity of a 'principal' for the said transactions. Accordingly, the Company recognizes revenue at the gross amount of consideration.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc for time and material and job contracts; straight lined over period for fixed price maintenance contracts; using percentage of completion method for other fixed price contracts; on delivery in case of sale of software and transfer of control in case of sale of hardware.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. Judgement is required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation identified in contract. Transaction price could either be a fixed amount consideration or variable consideration such as volume discounts and is adjusted for the effects of the time value of money, if the contract includes a significant financing component, and any consideration payable to the customer, unless it is a payment for a distinct product or service from the customer.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are

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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 recognized when there is 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 Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue and Commission – agency services disaggregation by nature of services and geography is as follows:

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
Consultancy Services	**51.44**	39.41
Commission - agency services	**456.60**	376.81
Total	**508.04**	416.22

(in millions of USD)

Geography	Year ended March 31, 2022	Year ended March 31, 2021
America - Consultancy services	**51.44**	39.41
India - Commission	**456.60**	376.81
Total	**508.04**	416.22

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

Consultancy services revenue disaggregation by industry vertical is as follows:

(in millions of USD)

Industry Vertical	Year ended March 31, 2022	Year ended March 31, 2021
Banking, Financial Services and Insurance	**2.89**	4.74
Manufacturing	**23.62**	25.88
Energy and Utilities	**13.47**	4.19
Hi-Tech Industry Practice	**1.65**	2.90
Others	**9.81**	1.70
Total	**51.44**	39.41

Agency commission revenue disaggregation by industry vertical is as follows:

(in millions of USD)

Industry Vertical	Year ended March 31, 2022	Year ended March 31, 2021
Hi-Tech Industry Practice	**456.60**	376.81
Total	**456.60**	376.81

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied (or partially satisfied) performance obligations the Company has applied the practical expedient in IFRS 15 and not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is USD 120.22 million out of which 52.77% is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract asset are as follows:

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**-**	0.01
Invoices raised that were included in the contract assets balance at the beginning of the year	**-**	(0.01)
Increase due to revenue recognised during the year, excluding amounts billed during the year	**0.61**	-
Balance at the end of the year	**0.61**	-

Changes in unearned and deferred revenue are as follows:

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**2.38**	1.98
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**(1.66)**	(0.93)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**2.73**	1.33
Balance at the end of the year	**3.45**	2.38

18. COST RECOGNITION

Costs and expenses are recognized 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 licenses, depreciation and amortization 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 doubtful trade receivables and advances, 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 amortization expenses of non-production equipment and software, facility expenses for administrative offices, communication expenses, fees to external consultants and other general expenses.

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Expenses by function

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
Cost of revenue	**40.30**	30.39
Selling, general and administrative expenses	**348.45**	271.19
Total	**388.75**	301.58

Costs and expenses are recognized when incurred and have been classified according to their nature.

The costs of the Company are broadly categorized in employee benefit expenses, depreciation expense and other expenses. Employee benefit expenses include salaries, incentives and allowances, contributions to provident and other funds and staff welfare expenses. Other expenses mainly include sub-contracting cost, facility expenses, travel expenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivable and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as fees to external consultants, commission and brokerage, recruitment and training, entertainment, etc.

Refer Note 21 for employee benefit expenses.

Other expenses by nature

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
Sub-contacting cost	**0.45**	0.25
Facility expenses	**7.80**	6.28
Travel expenses	**5.54**	1.09
Communication expenses	**3.30**	3.29
Bad debts and advances written (back) off, allowance for doubtful trade receivable and advances (net)	**(0.03)**	(0.41)
Other expenses	**65.25**	23.08
Total	**82.31**	33.58

19. OTHER INCOME

a. Finance and other income

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

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
Dividend received from mutual funds[1]	**-**	-
Rental revenue	**13.65**	11.85
Interest received*	**0.45**	0.03
Total	**14.10**	11.88

[1]The amount of dividend received for March 31, 2022 and March 31, 2021 is less than USD 0.01 million.

*Interest received includes interest on income tax refunds.

b. Finance Costs (net)

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on loans other than banks	**0.02**	0.01
Other interest expense	**0.17**	0.17
Interest on lease liabilities	**3.33**	3.26
Total	**3.52**	3.44

c. Other (losses) / gains (net)

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
Write off of property, plant and eqiupment	**-**	(0.72)
Net foreign exchange gains / (losses)	**(0.02)**	0.31
Others	**0.06**	1.85
Total	**0.04**	1.44

20. INCOME TAXES

Income tax expense comprises current and prior period tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period.

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 Tata America International Corporation intends and has the right to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized 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 as business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized 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 utilized.

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 utilized.

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

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:

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax		
Current tax expense for current year	**33.40**	36.08
Current tax benefit pertaining to prior years	**(0.32)**	(0.11)
	33.08	35.97
Deferred tax		
Deferred tax expense / (benefit) for current year	**0.33**	(1.94)
	0.33	(1.94)
Total	**33.41**	34.03

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statements of profit or loss is as follows:

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before taxes	**129.91**	124.52
Statutory income tax rate	**21.00%**	21.00%
Expected income tax expense	**27.28**	26.15
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Income exempt from tax	**(3.14)**	-
State tax (net of federal tax benefit)	**9.22**	7.88
Tax pertaining to prior years	**(0.32)**	(0.11)
Others (net)	**0.37**	0.10
Total income tax expense	**33.41**	34.03

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

(in millions of USD)

	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	**(0.84)**	**1.30**	**0.46**
Provision for employee benefits	**3.80**	**0.08**	**3.88**
Receivables, financial assets at amortised cost	**4.98**	**(1.25)**	**3.73**
Leases	**5.00**	**0.50**	**5.50**
Others	**(0.17)**	**(0.96)**	**(1.13)**
Total deferred tax asset / (liabilities)	**12.77**	**(0.33)**	**12.44**

Gross deferred tax assets and liabilities are as follows:

(in millions of USD)

As at March 31, 2022	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	**0.46**	**-**	**0.46**
Provision for employee benefits	**3.88**	**-**	**3.88**
Receivables, financial assets at amortised cost	**3.73**	**-**	**3.73**
Leases	**5.50**	**-**	**5.50**
Others	**-**	**(1.13)**	**(1.13)**
Total deferred tax asset / (liabilities)	**13.57**	**(1.13)**	**12.44**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(in millions of USD)

	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	0.15	(0.99)	(0.84)
Provision for employee benefits	3.60	0.20	3.80
Receivables, financial assets at amortised cost	5.05	(0.07)	4.98
Leases	2.98	2.02	5.00
Others	(0.95)	0.78	(0.17)
Total deferred tax asset / (liabilities)	10.83	1.94	12.77

Gross deferred tax assets and liabilities are as follows:

(in millions of USD)

As at March 31, 2021	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	-	(0.84)	(0.84)
Provision for employee benefits	3.80	-	3.80
Receivables, financial assets at amortised cost	4.98	-	4.98
Leases	5.00	-	5.00
Others	-	(0.17)	(0.17)
Total deferred tax asset / (liabilities)	13.78	(1.02)	12.77

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The Company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no instances of any uncertain tax treatment in the past on that basis it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

21. EMPLOYEE BENEFITS

Defined contribution plans

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

The Company has a 401(k) plan with profit sharing feature. Eligible employees may elect to defer up to 50% of their total compensation each year, not to exceed the annual limitations established by the Internal Revenue Code. The Company's contributions were USD 5.85 million and USD 5.45 million for the years ended March 31, 2022 and March 31, 2021 respectively.

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 recognized in the period in which the employee renders the related service. A liability is recognized 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 recognized 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 recognized as an actuarially determined liability at the present value of the defined benefit obligation at the date of financial position.

Employee benefit expenses consists of the following:

(in millions of USD)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, incentives and allowances	**261.27**	224.86
Contribution to provident and other funds	**17.76**	16.70
Staff welfare expenses	**5.23**	6.28
Total	**284.26**	247.84

Employee benefit obligations consist of the following:

(a) Employee benefit obligations – Current

(in millions of USD)

	As at March 31, 2022	As at March 31, 2021
Compensated absences	**13.67**	13.72
Other employee benefit obligations	**0.01**	0.01
Total	**13.68**	13.73

(b) Employee benefit obligations – Non-current

(in millions of USD)

	As at March 31, 2022	As at March 31, 2021
Other employee benefit obligations	**0.03**	0.04
Total	**0.03**	0.04

22. COMMITMENTS AND CONTINGENCIES

- **Capital commitments**

The Company has contractually committed (net of advances) USD 2.86 million and USD 2.39 million as at March 31, 2022 and 2021 respectively, for purchase of property, plant and equipment.

- **Contingencies**

In addition to above, in October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin alleging unauthorised access to and download of their confidential information and use thereof in the development of the Company's product MedMantra. In April 2016, the Company received an unfavorable jury verdict awarding damages of USD 940 million to Epic which was thereafter reduced by the Trial Court to USD 420 million. Pursuant to reaffirmation of the District Court order in March 2019, the Company filed an appeal in the Appeals Court to fully set aside the Order. Epic also filed a cross appeal challenging the reduction by the District Court judge of USD 100 million award and USD 200 million in punitive damages. On August 20, 2020, the Appeals Court vacated the award of USD 280 million in punitive damages considering the award to be constitutionally excessive and remanded the case back to District Court with instructions to reassess and reduce the punitive damages award to at most USD 140 million, affirmed the District Court's decision vacating the jury's award of USD 100 million in compensatory damages for alleged use of "other confidential information" by the Company, and affirmed the District Court's decision upholding the jury's award of USD 140 million in compensatory damages for use of the comparative analysis by the Company. The Company filed a petition for re-hearing of compensatory and punitive damages at the Appeals Court on September 3, 2020. Epic also filed for re-hearing that portion of the Appeals Court's decision that invalidated award of punitive damages. In November 2020, the petitions for re-hearing filed by the Company and Epic, respectively, were denied by the Appeals Court. The proceedings for assessing punitive damages have been remanded back to the District Court. Both the Company and EPIC have filed their briefs at the District Court in relation to punitive damages. The matter is under consideration by the District Court. On April 8, 2021, Epic has approached the Supreme Court seeking review of the order of the Appeals Court vacating the award of USD 280 million towards punitive damages and remanding back to District Court with an instruction to reassess the punitive damages, to no more than USD 140 million. On March 21, 2022, the U.S. Supreme Court denied Epic's petition and thus declined to hear the case. The Company will continue to pursue all legal options available in the matter. Considering all the facts and various legal precedence, on a conservative and prudent basis, the parent company has provided USD 165 million towards this legal claim in its statement of profit or loss for the year ended March 31, 2021. Any obligation out of this litigation will be fulfilled by the Parent Company. Accordingly, TAIC has no potential liability arising out of this litigation.

Pursuant to US Court procedures, a Letter of Credit has been made available to Epic by the parent company for USD 440 million as financial security in order to stay execution of the judgement pending post-appeal proceedings and conclusion.

23. RELATED PARTY TRANSACTIONS

The Company's principal related parties consist of its holding company TCS Limited and its subsidiaries. The ultimate holding company of Tata America International Corporation is Tata Sons Private Limited. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business.

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Balances with related parties are as follows:

(in millions of USD)

		As at March 31, 2022	As at March 31, 2021
Trade receivables and unbilled receivables and contract assets	**Tata Consultancy Services Limited**	**269.02**	203.92
	Subsidiaries of Tata Consultancy Services Limited		
	TCS (Philippines) Inc.	**0.01**	0.01
	TCS Argentina SA	**0.00**	0.05
	TCS Canada Inc.	**0.27**	0.23
	TCS China Co. Ltd.	**0.02**	0.02
	TCS de Espana SA	**0.00**	0.00
	TCS de Mexico SA de CV	**-**	0.02
	TCS Deutschland GmbH	**-**	0.04
	TCS do Brazil Ltda.	**0.00**	0.00
	TCS e-Serve International Ltd	**1.73**	0.88
	TCS France SA	**-**	0.02
	TCS Italia srl	**-**	0.06
	TCS Netherlands B.V.	**-**	0.05
	TCS Switzerland Ltd.	**-**	0.02
	TCS Sverige AB	**-**	0.04
	TCS Belgium S.A./N.V.	**-**	0.02
	TCS Chile S.A	**0.03**	0.01
	TCS PT Indonesia	**0.02**	0.02
	TCS Luxembourg S.A.	**0.00**	0.01
	TCS Portugal Unipessoal Lda	**0.01**	0.01
	TCS Uruguay S.A.	**0.00**	0.00
	TCS Japan Limited	**-**	0.00
Loans, other financial assets and other assets	**Tata Consultancy Services Limited**	**1.06**	3.06
	Subsidiaries of Tata Consultancy Services Limited		
	TCS Asia Pacific Pte Ltd	**-**	0.01
	TCS Canada Inc.	**-**	-
	TCS de Mexico SA de CV	**0.01**	0.22
	TCS Deutschland GmbH	**0.02**	0.02
	TCS do Brazil Ltda.	**0.00**	0.00
	TCS e-Serve International Ltd	**0.08**	0.18

(in millions of USD)

		As at March 31, 2022	As at March 31, 2021
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	**Tata Sons Private Limited, its subsidiaries and associates**		
	Tata Sons Private Limited	**0.13**	0.10
	Tata Communications (Americas) Inc.	**0.02**	0.02
	Tata Consultancy Services Limited	**170.61**	62.14
	Subsidiaries of Tata Consultancy Services Limited		
	TCS (Philippines) Inc.	**-**	0.00
	TCS Asia Pacific Pte Ltd	**0.00**	0.00
	TCS Canada Inc.	**0.25**	0.00
	TCS de Mexico SA de CV	**0.26**	-
	TCS do Brazil Ltda.	**0.05**	0.01
	TCS Italia srl	**0.00**	-
	TCS Netherlands B.V.	**0.52**	0.09
	TCS Solution Center SA	**-**	0.19
	TCS Switzerland Ltd.	**1.03**	0.41
	TCS Japan Limited	**0.00**	-
	TCS Uruguay S.A.	**-**	0.19

Transactions with related parties are as follows:

(in millions of USD)

		Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	**Tata Consultancy Services Limited**	**456.60**	376.81
Other income	**Tata Sons Private Limited, its subsidiaries and associates**		
	Tata Steel International	**0.01**	0.01
	Tata Consultancy Services Limited	**13.64**	11.78
	Subsidiaries of Tata Consultancy Services Limited		
	TCS e-Serve International Ltd	**0.10**	0.04
	TCS e-Serve America Inc	**0.00**	0.06
	TCS (Philippines) Inc.	**-**	0.01
	TCS PT Indonesia	**-**	0.02
Purchases of goods and services	**Tata Consultancy Services Limited**	**16.20**	4.58
	Subsidiaries of Tata Consultancy Services Limited		

(in millions of USD)

	TCS de Mexico SA de CV	**-**	0.01
	TCS do Brazil Ltda.	**-**	0.03
	TCS e-Serve International Ltd	**-**	0.01
Purchases of goods and services (reimbursements)			
	Tata Consultancy Services Limited	**31.86**	4.43
	Subsidiaries of Tata Consultancy Services Limited		
	TCS Portugal Unipessoal Lda	**0.00**	(0.00)
	TCS Canada Inc.	**(0.02)**	(0.26)
	TCS de Espana SA	**(0.00)**	(0.01)
	TCS de Mexico SA de CV	**0.05**	0.10
	TCS Deutschland GmbH	**(0.01)**	(0.05)
	TCS do Brazil Ltda.	**0.14**	-
	TCS e-Serve International Ltd	**(0.74)**	(0.81)
	TCS e-Serve America Inc	**-**	(0.04)
	TCS France SA	**(0.00)**	(0.02)
	TCS Italia srl	**(0.00)**	(0.00)
	TCS Netherlands B.V.	**(0.00)**	(0.05)
	TCS Solution Center SA	**-**	0.00
	TCS Switzerland Ltd.	**1.13**	0.46
	TCS Uruguay S.A.	**0.00**	(0.00)
	TCS Sverige AB	**(0.00)**	(0.03)
	TCS Belgium S.A./N.V.	**(0.00)**	(0.02)
	TCS Luxembourg S.A.	**(0.00)**	(0.01)
	CMC Americas Inc.	**-**	0.01
Brand equity contribution	**Tata Sons Private Limited, its subsidiaries and associates**		
	Tata Sons Private Limited	**0.13**	0.10
Dividend paid	**Tata Consultancy Services Limited**	**95.00**	135.00

24. DIVIDENDS

Dividends paid during the year ended March 31, 2022 include an amount of USD 4,750 per equity share towards interim dividends for the year ended March 31, 2022. Dividends paid during the year ended March 31, 2021 include an amount of USD 6,750 per equity share towards interim dividends for the year ended March 31, 2021.

25. SUBSEQUENT EVENTS

EPIC has invoked partial amount of SBLC amounting to USD 140 million on 5th May 2022. It has no financial impact on the company.

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TATA CONSULTANCY SERVICES CANADA INC.

(Company Registration Number: 88775 0719)

FINANCIAL STATEMENTS

For the year ended
March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS AND SHAREHOLDER OF
TATA CONSULTANCY SERVICES CANADA INC.

Opinion

We have audited the financial statements of Tata Consultancy Services Canada Inc. ("the Entity"), which comprise:

- the statement of financial position as at March 31, 2022;
- the statement of profit and loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control..
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Place: Toronto, Canada
Date: May 17, 2022

Statement of Financial Position

(CAD million)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	**88.42**	43.55
Bank deposits		**-**	50.00
Trade receivables			
Billed	7(b)	**184.25**	150.69
Unbilled		**73.49**	61.06
Other financial assets	7(c)	**10.27**	5.72
Other assets	9 (c)	**26.73**	16.91
Total current assets		**383.16**	327.93
Non-current assets			
Trade receivables			
Unbilled		**-**	0.06
Income tax assets (net)		**0.22**	-
Deferred tax assets (net)	13	**3.71**	3.37
Property, plant and equipment	9(a)	**6.08**	6.10
Intangible asset[1]	9(b)	**-**	-
Right of use assets	8	**2.37**	3.26
Other assets	9(c)	**3.42**	-
Total Non-current assets		**15.80**	12.79
TOTAL ASSETS		**398.96**	340.72
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables		**123.12**	58.39
Lease liabilities		**1.34**	1.26
Other financial liabilities	7(d)	**60.42**	47.72
Unearned and deferred revenue		**18.94**	11.25
Employee benefit obligations	14	**32.30**	29.57
Provisions	9(e)	**0.01**	0.09
Income tax liabilities (net)		**-**	1.29
Other liabilities	9(d)	**22.83**	21.25
Total current liabilities		**258.96**	170.82
Non-current liabilities			
Lease liabilities		**2.09**	3.38
Total non-current liabilities		**2.09**	3.38
Total liabilities		**261.05**	174.20
Equity			
Share capital	7(h)	**7.07**	7.07
Retained earnings		**130.84**	159.45
Total equity		**137.91**	166.52
TOTAL LIABILITIES AND EQUITY		**398.96**	340.72

[1]the net carrying amount of intangible asset as at March 31, 2022 and March 31, 2021 is less than CAD 0.01 million

See accompanying notes to financial statements

Statement of Profit or Loss and Other Comprehensive Income

(CAD million)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	10	**1,327.08**	1,075.75
Expenses			
Employee benefits expenses	14	**631.56**	538.46
Cost of equipment and software licenses		**0.45**	0.31
Depreciation and amortization expense	8, 9(a)	**2.72**	1.97
Other expenses	11	**583.71**	420.42
TOTAL EXPENSES		**1,218.44**	961.16
OPERATING PROFIT		**108.64**	114.59
Other income			
Finance income	12(a)	**0.49**	0.42
Finance costs	12(b)	**(0.09)**	(0.20)
Other gains/(loss) (net)	12(c)	**0.75**	(2.21)
OTHER INCOME (NET)		**1.15**	(1.99)
PROFIT BEFORE TAXES		**109.79**	112.60
Income tax expense	13	**28.40**	29.62
PROFIT FOR THE YEAR		**81.39**	82.98
OTHER COMPREHENSIVE INCOME (OCI)		**-**	-
TOTAL OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**81.39**	82.98

See accompanying notes to financial statements

Statement of Changes in Equity

(CAD million, except share data)

	Number of shares	Share capital	Retained earnings	Total Equity
Balance as at April 1, 2020	1,100	7.07	111.47	118.54
Profit for the year	-	-	82.98	82.98
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	82.98	82.98
Dividend (including tax on dividend of CAD 5.25 million) (Refer note 17)	-	-	(35.00)	(35.00)
Balance as at March 31, 2021	1,100	7.07	159.45	166.52
Balance as at April 1, 2021	**1,100**	**7.07**	**159.45**	**166.52**
Profit for the year	**-**	**-**	**81.39**	**81.39**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**81.39**	**81.39**
Dividend (including tax on dividend of CAD 16.50 million) (Refer note 17)	**-**	**-**	**(110.00)**	**(110.00)**
Balance as at March 31, 2022	**1,100**	**7.07**	**130.84**	**137.91**

See accompanying notes to financial statements

Statement of Cash Flows

(CAD million)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year		**81.39**	82.98
Adjustment to reconcile profit to net cash generated from operating activities			
Depreciation and amortization expenses	8,9(a)	**2.72**	1.97
Income tax expense	13	**28.40**	29.62
Bad debts and advances written (back)/off, allowances for doubtful trade receivables and advances (net)	11	**(0.03)**	0.46
Unrealised foreign exchange loss		**0.14**	0.99
		112.62	116.02
Net change in			
Trade receivables			
Billed		**(33.54)**	43.74
Unbilled		**(12.37)**	(7.62)
Other financial assets		**(4.55)**	0.34
Other assets		**(13.24)**	6.19
Trade payables		**64.74**	(39.93)
Unearned and deferred revenue		**7.69**	4.65
Other financial liabilities		**13.31**	5.68
Other liabilities and provisions		**4.23**	13.40
Cash generated from operations		**138.89**	142.47
Taxes paid (net of refunds)		**(30.25)**	(27.48)
Net cash generated from operating activities		**108.64**	114.99
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment		**(2.33)**	(2.48)
Bank deposits placed		**-**	(73.00)
Proceeds from bank deposits		**50.00**	23.00
Net cash generated from/(used in) investing activities		**47.67**	(52.48)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid (including tax on dividend)		**(110.00)**	(44.00)
Repayment of lease liabilities		**(1.30)**	(1.16)
Net cash used in financing activities		**(111.30)**	(45.16)
Net change in cash and cash equivalents		**45.01**	17.35
Cash and cash equivalents at the beginning of the year		**43.55**	27.19
Exchange difference on translation of foreign currency cash and cash equivalents		**(0.14)**	(0.99)
Cash and cash equivalents at the end of the year	7(a)	**88.42**	43.55
SUPPLEMENTARY CASH FLOW INFORMATION			
Interest paid		**0.09**	0.20
Interest received		**0.58**	0.42

See accompanying notes to financial statements

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services Canada Inc. ("the Company") a Toronto based Canadian corporation, is an information technology (IT) consulting, services and business process outsourcing organization. The Company provides services in the area of IT application development and maintenance, asset based solutions, IT infrastructure management, engineering and industrial services and business process outsourcing. The Company is a wholly owned subsidiary of Tata Consultancy Services Limited ("TCS Limited") and Tata Sons Private Limited is the ultimate parent company.

The Company is incorporated under the *Canada Business Corporations Act* and is domiciled in Canada. The address of its corporate office is 400 University Avenue, 25th Floor Toronto, Ontario M5G 1S5, Canada. The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on May 17, 2022.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standard Board ("IASB").

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortized cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows has been prepared under the 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 Company classifies interest paid and interest received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Canadian Dollar ("CAD"). The functional currency of the Company 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 each 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 significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

These financial statements include corresponding figures for the year ended and as at March 31, 2021.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of IFRS requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the 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 recognized in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

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

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

d. Provision and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

e. Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

f. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

g. Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

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Notes forming part of the Financial Statements

5. NATURE AND PURPOSE OF RESERVES

Retained earnings

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

6. RECENT ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRS that have been issued but are not yet effective:

Amendments to IAS 1	Classification of Liabilities[1]
Amendment to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a single Transaction[1]

[1]Effective for annual periods beginning on or after January 1, 2023.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

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7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(CAD million)

	As at March 31, 2022	As at March 31, 2021
Cash at banks	**0.74**	3.66
Bank deposits (original maturity less than three months)	**87.68**	39.89
Total	**88.42**	43.55

b. Trade receivables - Billed

Trade receivables - Billed consist of the following:

Trade receivables - Billed - Current

(CAD million)

	As at March 31, 2022	As at March 31, 2021
Trade receivables - Billed	**184.93**	151.40
Less: Allowance for doubtful trade receivables - Billed	**(0.68)**	(0.71)
Total	**184.25**	150.69

c. Other financial assets

Other financial assets consist of the following:

Other financial assets – Current

(CAD million)

	As at March 31, 2022	As at March 31, 2021
Interest receivable	**0.06**	0.15
Employee loans and advances (net of allowances of CAD 0.13 million and CAD 0.19 million respectively)	**4.04**	1.09
Security deposits	**0.01**	0.02
Volume discount receivable	**6.16**	4.46
Total	**10.27**	5.72

d. Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Current

(CAD million)

	As at March 31, 2022	As at March 31, 2021
Capital creditors	**0.21**	0.82
Liabilities towards customer contracts	**17.99**	14.36
Accrued payroll	**42.22**	32.54
Total	**60.42**	47.72

e. Financial instrument by category

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

(CAD million)

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	**88.42**	**88.42**
Trade receivables		
Billed	**184.25**	**184.25**
Unbilled	**73.49**	**73.49**
Other financial assets	**10.27**	**10.27**
Total	**356.43**	**356.43**
Financial liabilities		
Trade payables	**123.12**	**123.12**
Lease liabilities	**3.42**	**3.42**
Other financial liabilities	**60.42**	**60.42**
Total	**186.96**	**186.96**

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(CAD million)

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	43.55	43.55
Bank deposits	50.00	50.00
Trade receivables		
Billed	150.69	150.69
Unbilled	61.12	61.12
Other financial assets	5.72	5.72
Total	311.08	311.08
Financial liabilities		
Trade payables	58.39	58.39
Lease liabilities	4.64	4.64
Other financial liabilities	47.72	47.72
Total	110.75	110.75

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at March 31, 2022 and March 31, 2021 approximate the fair value due to their nature. Carrying amounts of bank deposits, 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.

f. Fair value hierarchy

The disclosures relating to fair value hierarchy of financial assets and liabilities have not been made, the Company does not have any such financial assets and liabilities.

g. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the entity. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures for the Company as at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2022:

(CAD million)

	USD	Others[1]
Financial assets	**49.98**	**0.54**
Financial liabilities	**6.87**	**0.60**

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in decrease / increase in the Company's profit before taxes by approximately CAD 4.31 million and equity approximately by CAD 3.17 million for the year ended March 31, 2022.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2021:

(CAD million)

	USD	Others[1]
Financial assets	30.61	0.61
Financial liabilities	3.70	0.23

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in decrease / increase in the Company's profit before taxes by approximately CAD 2.73 million and equity approximately by CAD 2.01 million for the year ended March 31, 2021.

[1]Others include currencies such as Australian Dollar, South Korean won, Great Britain Pound, Euro and Swiss Franc.

- **Interest rate risk**

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivable, unbilled receivables, cash and cash equivalents, bank deposits and other financial assets. Bank deposits and cash and cash equivalent include an amount of CAD 88.42 million held with banks having high credit ratings which are in excess of 10 percent or more of the Company's total bank deposit and cash and cash equivalent as at March 31, 2022 (CAD 93.55 million as at March 31, 2021). None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was CAD 373.52 million and CAD 319.06 million as at March 31, 2022 and March 31, 2021 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, unbilled receivables, contract assets and other financial assets.

Customers contributing to more than 10% of outstanding trade receivable (gross and net of allowances), unbilled receivables and contract assets as at March 31, 2022 and March 31, 2021 respectively are as follows:

	As at March 31, 2022		As at March 31, 2021	
	Gross%	**Net%**	Gross%	Net%
Customer E	**14.47**	**14.5**	15.20	15.25
Customer F	**13.89**	**13.93**	13.85	13.90
Customer B	**13.79**	**13.83**	15.94	15.99

- **Geographic concentration of credit risk**

The Company's cash and cash equivalents, bank deposits, trade receivables, and contract assets are allocated based on the location of the customer and are substantially held in the Americas.

The allowance written back and charged for lifetime expected credit loss on trade receivables for the years ended March 31, 2022 and 2021 was CAD 0.03 million and CAD 0.33 million, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**0.71**	0.39
Change during the year	**(0.03)**	0.33
Bad debts written off	**-**	-
Translation exchange difference	**-**	(0.01)
Balance at the end of the year	**0.68**	0.71

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per the requirements. The

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Company consistently generates sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(CAD million)

March 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total
Non-derivative financial liabilities:				
Trade payables	**123.12**	**-**	**-**	**123.12**
Lease liabilities	**1.43**	**1.38**	**0.75**	**3.56**
Other financial liabilities	**60.42**	**-**	**-**	**60.42**
Total	**184.97**	**1.38**	**0.75**	**187.10**

(CAD million)

March 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total
Non-derivative financial liabilities:				
Trade payables	58.39	-	-	58.39
Lease liabilities	1.39	1.38	2.13	4.90
Other financial liabilities	47.72	-	-	47.72
Total	107.50	1.38	2.13	111.01

h. Equity instruments

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

(CAD million)

	As at March 31, 2022	As at March 31, 2021
Issued, Subscribed and Fully paid up		
1,100 common shares (March 31, 2021: 1,100 common shares)	**7.07**	7.07
Total	**7.07**	7.07

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.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception is comprised 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 assets are 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 assets are 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses an incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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.

The details of the right-of-use assets held by the Company are as follows:

(CAD million)

	Additions for the year ended March 31, 2022	Net carrying amount as at March 31, 2022
Buildings	**0.09**	**2.34**
Computer equipment	**-**	**0.03**
Total	**0.09**	**2.37**

(CAD million)

	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Buildings	0.71	3.22
Computer equipment	-	0.04
Total	0.71	3.26

Depreciation on right-of-asset is as follows:

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Buildings	**0.97**	0.80
Computer equipment	**0.01**	0.01
Total	**0.98**	0.81

Interest on lease liabilities is CAD 0.13 million and CAD 0.15 million for the year ended on March 31, 2022 and March 31, 2021 respectively.

The Company incurred CAD 0.29 million and CAD 0.24 million for the year ended March 31, 2022 and March 31, 2021 towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is CAD 1.72 million and CAD 1.56 million for the year ended March 31, 2022 and March 31, 2021, including cash outflow for short term and low value leases. The Company has no lease term extension options.

Lease contracts entered by the Company pertain for buildings and office equipment taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

9. NON-FINANCIAL ASSETS AND LIABILITIES

a. Property, plant and equipment

Property, plant and equipment are stated at cost comprised 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 values 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
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture and fixtures	5 years
Office equipment	5 years
Electrical installation	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.

Notes forming part of the Financial Statements

Property, plant and equipment consist of the following:

(CAD million)

	Leasehold Improve-ments	Computer equipment	Electrical installation	Furniture and fixtures	Office equip-ment	Total
Cost as at April 1, 2021	**5.67**	**1.76**	**0.02**	**1.00**	**0.89**	**9.34**
Additions	**1.70**	**0.98**	**0.03**	**0.25**	**1.16**	**4.12**
Disposals	**-**	**(0.01)**	**-**	**-**	**-**	**(0.01)**
Cost as at March 31, 2022	**7.37**	**2.73**	**0.05**	**1.25**	**2.05**	**13.45**
Accumulated depreciation as at April 1, 2021	**3.34**	**0.99**	**-**	**0.93**	**0.85**	**6.11**
Depreciation for the year	**1.04**	**0.46**	**0.01**	**0.04**	**0.19**	**1.74**
Eliminated on disposals of assets	**-**	**(0.01)**	**-**	**-**	**-**	**(0.01)**
Accumulated depreciation as at March 31, 2022	**4.38**	**1.44**	**0.01**	**0.97**	**1.04**	**7.84**
Net carrying amount as at March 31, 2022	**2.99**	**1.29**	**0.04**	**0.28**	**1.01**	**5.61**
Capital work-in-progress[1]						**0.47**
Total						**6.08**

[1]CAD 4.12 million has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2022.

(CAD million)

	Leasehold Improve-ments	Computer equipment	Electrical installation	Furniture and fixtures	Office equip-ment	Total
Cost as at April 1, 2020	5.59	2.23	0.02	1.00	0.87	9.71
Additions	0.08	0.42	-	-	0.02	0.52
Disposals	-	(0.89)	-	-	-	(0.89)
Cost as at March 31, 2021	5.67	1.76	0.02	1.00	0.89	9.34
Accumulated depreciation as at April 1, 2020	2.70	1.56	-	0.83	0.75	5.84
Depreciation for the year	0.64	0.32	-	0.10	0.10	1.16
Eliminated on disposals of assets	-	(0.89)	-	-	-	(0.89)
Accumulated depreciation as at March 31, 2021	3.34	0.99	-	0.93	0.85	6.11
Net carrying amount as at March 31, 2021	2.33	0.77	0.02	0.07	0.04	3.23
Capital work-in-progress[1]						2.87
Total						6.10

[1]CAD 0.52 million has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.

b. Intangible assets

Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of software licences.

Following table summarises the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Software license	4 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.

c. Other assets

Other assets consist of the following:

Other assets - Current

(CAD million)

	As at March 31, 2022	As at March 31, 2021
Advances to suppliers	-	0.09
Prepaid expenses	**10.87**	6.40
Contract asset	**13.68**	7.98
Contract fulfillment costs	**0.08**	0.02
Others	**2.10**	2.42
Total	**26.73**	16.91

Contract fulfillment costs of CAD 0.02 million and CAD 0.07 million for the years ended March 31, 2022 and March 31, 2021, respectively, have been amortised in the profit or loss. Refer note 10 for changes in contract assets.

Other assets – Non-current

(CAD million)

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	**0.01**	-
Contract asset	**3.41**	-
Total	**3.42**	-

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d. Other liabilities

Other liabilities consist of the following:

Other liabilities - Current

(CAD million)

	As at March 31, 2022	As at March 31, 2021
Advance received from customers	**0.63**	3.67
Indirect tax payable and other statutory liabilities	**22.20**	17.58
Total	**22.83**	21.25

e. Provision

Provision consist of the following:

Provision - Current

(CAD million)

	As at March 31, 2022	As at March 31, 2021
Provision for foreseeable loss	**0.01**	0.09
Total	**0.01**	0.09

Refer note 10 for policy on onerous contract

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ("POC method") of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method .
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

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Notes forming part of the Financial Statements

Revenue also excludes taxes collected from customers.

Revenue from related parties is recognised based on transaction price which is at arm's length.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer etc.

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 these 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 is excess of revenue 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Revenue disaggregation by nature of service is as follows:

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Consultancy services	**1,326.45**	1,075.35
Sale of equipment and software licenses	**0.63**	0.40
Total	**1,327.08**	1,075.75

Notes forming part of the Financial Statements

Revenue disaggregation by industry vertical is as follows:

Industry Vertical

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Banking, Financial Services and Insurance	**887.31**	727.84
Communication, Media & Technology	**137.27**	112.60
Others	**302.50**	235.31
Total	**1,327.08**	1,075.75

Revenue disaggregation by geography is as follows:

Geography

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Americas	**1,317.45**	1,067.07
Rest of the world	**9.63**	8.68
Total	**1,327.08**	1,075.75

Information about major customers

Customers representing 10% or more of the Company's total revenue for the year ended March 31, 2022 and 2021 are:

	Year ended March 31, 2022		Year ended March 31, 2021	
	(In millions of CAD)	%	(In millions of CAD)	%
Customer B	**219.85**	**16.57**	169.94	15.80
Customer F	**166.84**	**12.57**	142.82	13.28
Customer E	**144.49**	**10.89**	91.09	8.47
Customer G	**126.81**	**9.56**	110.21	10.25

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations, other than those meeting the exclusion criteria mentioned above is CAD 576.05 million out of which 63.64% is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**7.98**	15.14
Increase due to revenue recognised during the year, excluding amounts billed during the year	**16.31**	7.42
Invoice raised that was included in the contract asset balance at the beginning of the period	**(7.19)**	(14.41)
Adjustments during the year	**-**	-
Translation exchange difference	**(0.01)**	(0.17)
Balance at the end of the year	**17.09**	7.98

Changes in unearned and deferred revenue are as follows:

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**11.25**	6.60
Revenue recognised that was included in the contract liability balance at the beginning of the period	**(11.20)**	(6.17)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**18.94**	10.94
Other movement during the year	**-**	-
Translation exchange difference	**(0.05)**	(0.12)
Balance at the end of the year	**18.94**	11.25

11. COST RECOGNITION

Costs and expenses are recognized when incurred and have been classified according to their nature.

The costs of the Company are broadly categorized into employee benefit expenses, cost of equipment and software license, depreciation and other expenses. Employee benefit expenses include salaries, incentives, allowances, contribution to various funds and staff welfare expenses. Other expenses mainly include sub-contracting cost, fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts, cost paid for shared services, royalty paid and other expenses. Other expenses is an aggregation of costs which are individually not material such as marketing, education recruitment and training expense, printing and stationery, bank charges, insurance etc

Refer note 14 for employee benefit expenses.

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Other expenses consist of the following:

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Sub-contracting cost	**464.49**	348.98
Fees to external consultants	**85.99**	44.60
Facility expenses	**1.23**	1.16
Travel expenses	**4.48**	2.08
Communication expenses	**3.11**	2.68
Bad debts and advances written off / (back), allowance for doubtful trade receivable and advances (net)	**(0.03)**	0.46
Cost paid for shared services	**16.41**	15.52
Royalty paid	**2.94**	2.44
Other expenses	**5.09**	2.50
Total	**583.71**	420.42

12. OTHER INCOME

Interest income is recognized using the effective interest method.

a. Finance income

Finance income consist of the following:

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on bank deposits	**0.49**	0.42
Total	**0.49**	0.42

b. Finance cost

Finance cost consist of the following:

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	**0.13**	0.15
Other interest cost	**(0.04)**	0.05
Total	**0.09**	0.20

c. Other gains / (loss) (net)

Other gains / (loss) (net) consist of the following:

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Net foreign exchange loss	**(0.44)**	(3.08)
Others	**1.19**	0.87
Total	**0.75**	(2.21)

13. INCOME TAXES

Income tax expense comprises current tax expenses and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period.

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 Company intends and has the right to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent 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.

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

Deferred income 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.

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.

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Income tax expense consist of the following:

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
Current tax expense for current year	**29.25**	30.09
Current tax (benefit)/expense pertaining to prior years	**(0.51)**	(0.06)
	28.74	30.03
Deferred tax		
Deferred tax (benefit)/expense for current year	**(0.34)**	(0.41)
	(0.34)	(0.41)
Total	**28.40**	29.62

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statements of profit or loss is as follows:

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before taxes	**109.79**	112.60
Statutory income tax rate	**26.31%**	26.32%
Expected income tax expense	**28.89**	29.64
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax pertaining to prior years	**(0.51)**	(0.06)
Non-deductible items and others	**0.02**	0.04
Total income tax expense	**28.40**	29.62

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

(CAD million)

	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	**0.02**	**(0.04)**	**(0.02)**
Net asset adjustment for tax purpose on purchase of Canadian Branch	**0.29**	**(0.02)**	**0.27**
Lease liabilities	**0.43**	**(0.08)**	**0.34**
Others including volume discount payable	**2.63**	**0.49**	**3.12**
Total deferred tax assets / (liabilities)	**3.37**	**0.34**	**3.71**

Gross deferred tax assets and liabilities are as follows:

(CAD million)

	Assets	Liabilities	Net
As at March 31, 2022			
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	**-**	**(0.02)**	**(0.02)**
Net asset adjustment for tax purpose on purchase of Canadian Branch	**0.27**	**-**	**0.27**
Lease liabilities	**0.34**	**-**	**0.34**
Others including volume discount payable	**3.12**	**-**	**3.12**
Total deferred tax assets / (liabilities)	**3.73**	**(0.02)**	**3.71**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(CAD million)

	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	(0.03)	0.05	0.02
Net asset adjustment for tax purpose on purchase of Canadian Branch	0.31	(0.02)	0.29
Lease liabilities	0.46	(0.03)	0.43
Others including volume discount payable	2.22	0.41	2.63
Total deferred tax assets / (liabilities)	2.96	0.41	3.37

Gross deferred tax assets and liabilities are as follows:

(CAD million)

	Assets	Liabilities	Net
As at March 31, 2021			
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment	0.02	-	0.02
Net asset adjustment for tax purpose on purchase of Canadian Branch	0.29	-	0.29
Lease liabilities	0.43	-	0.43
Others including volume discount payable	2.63	-	2.63
Total deferred tax assets / (liabilities)	3.37	-	3.37

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

14. EMPLOYEE BENEFIT

Defined contribution plans

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

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 recognized 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.

Registered Retirement Savings Plan

The Company has a Registered Retirement Savings Plan ("RRSP") for local staff of Canada referred to as Employer Sponsored RRSP. Under such plan, as per written instruction of each employee a fixed percentage of their base salary per pay cycle is deducted as employee contribution to the plan and employer also matches the employee contribution with a cap of 4% of the base salary of the employee. The Company's contribution was CAD 8.02 million and CAD 6.85 million for the years ended March 31, 2022 and March 31, 2021 respectively.

Employee cost consist of the following:

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, incentives and allowances	**588.67**	504.03
Contribution to RRSP and other funds	**32.74**	23.35
Staff welfare expenses	**10.15**	11.08
Total	**631.56**	538.46

Employee benefit obligations consist of the following:

Employee benefit obligation – Current

(CAD million)

	As at March 31, 2022	As at March 31, 2021
Compensated absences	**32.16**	29.41
Other employee benefit obligations	**0.14**	0.16
Total	**32.30**	29.57

15. COMMITMENTS AND CONTINGENCIES

Capital commitments

The Company has contractually committed (net of advances) CAD 1.03 million and CAD 0.32 million as at March 31, 2022 and March 31, 2021 respectively, for purchase of property, plant and equipment.

Contingencies

The contingencies as of March 31, 2022 and March 31, 2021 was Nil.

16. RELATED PARTY TRANSACTIONS

The Company's principal related parties consist of its holding company TCS Limited, the subsidiaries of TCS Limited and the Key Management Personnel. The ultimate holding company is Tata Sons Private Limited. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business.

Transactions with related parties are as follows:

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations		
Tata Sons Private Limited, its subsidiaries and associates		
Jaguar Land Rover Canada ULC	**0.10**	0.10
Tata Global Beverages Canada Inc.	**0.04**	0.04
Tata Communications (Canada) Limited	**2.79**	3.06
Tata Consultancy Services Limited	**144.49**	91.09
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services Asia Pacific Pte Ltd.	**0.40**	0.81
Tata Consultancy Services Deutschland GmbH	**1.61**	1.96
Tata Consultancy Services Netherlands BV	**0.38**	1.71
Tata Consultancy Services Switzerland Ltd.	**2.91**	1.83
TCS Belgium S.A./N.V.	**-**	0.08
TCS France SAS	**0.50**	0.66
Purchases of goods and services (including reimbursements)		
Tata Sons Private Limited, its subsidiaries and associates		
Jaguar Land Rover Limited	**0.19**	-

Notes forming part of the Financial Statements

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Tata Communications (Canada) Limited	**1.39**	0.04
Tata Consultancy Services Limited	**532.34**	420.55
Subsidiaries of Tata Consultancy Services Limited		
MGDC S.C.	**0.01**	0.02
Tata America International Corporation	**0.01**	0.34
Tata Consultancy Services De Mexico S.A.,De C.V.	**4.35**	0.71
Tata Consultancy Services Deutschland GmbH	**(0.02)**	-
Tata Consultancy Services Do Brasil Ltda	**0.07**	0.17
Tata Consultancy Services Netherlands BV	**0.16**	-
TCS Uruguay S. A.	**4.67**	3.92
Tata Consultancy Services Switzerland Ltd.	**0.10**	0.03
Tata Consultancy Services (China) Co., Ltd.	**0.16**	-
Tata Consultancy Services Luxembourg S.A.	**0.55**	-
Tata Consultancy Services (Portugal), Unipessoal Limitada	**0.07**	-
TCS Solution Center S.A.	**0.14**	-
Sale of property, plant and equipment		
Tata Consultancy Services Limited[1]	**-**	-
Brand equity contribution		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**2.94**	2.44
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Communications (Canada) Limited	**-**	(0.15)
Dividend paid		
Tata Consultancy Services Limited	**110.00**	35.00

[1]the value of sale of property, plant and equipment during the year ended March 31, 2022 is nil and less than CAD 0.01 million during the year ended March 31, 2021.

Notes forming part of the Financial Statements

Balances receivable/payable from/to related parties are as follows:

(CAD million)

	As at March 31, 2022	As at March 31, 2021
Trade receivables, and contract assets		
Tata Sons Private Limited, its subsidiaries and associates		
Jaguar Land Rover Canada ULC	**0.03**	0.03
Tata Communications (Canada) Limited	**0.56**	0.86
Tata Consultancy Services Limited	**39.85**	33.52
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**0.31**	(0.01)
Tata Consultancy Services Asia Pacific Pte Ltd.	**0.20**	(0.01)
Tata Consultancy Services De Mexico S.A.,De C.V.	**0.04**	0.02
Tata Consultancy Services Deutschland GmbH	**0.10**	0.14
Tata Consultancy Services Netherlands BV	**0.03**	0.04
Tata Consultancy Services Sverige AB	**-**	(0.01)
Tata Consultancy Services Switzerland Ltd.	**0.53**	0.29
TCS France SAS	**0.01**	0.07
Other financial assets and other assets		
Tata Consultancy Services Limited	**16.81**	10.56
Subsidiaries of Tata Consultancy Services Limited		
TCS Uruguay S. A.	**0.09**	0.21
Tata Consultancy Services (China) Co., Ltd.	**0.01**	-
Tata Consultancy Services Luxembourg S.A.	**0.02**	-
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**2.94**	2.44
Tata Communications (Canada) Limited	**0.31**	-
Jaguar Land Rover Limited	**0.19**	-
Tata Consultancy Services Limited	**99.29**	44.62
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**0.33**	0.27
Tata Consultancy Services De Mexico S.A.,De C.V.	**1.34**	0.17
Tata Consultancy Services Deutschland GmbH	**0.01**	0.03
Tata Consultancy Services Netherlands BV	**0.01**	0.03
Tata Consultancy Services Switzerland Ltd.	**0.14**	0.10
TCS Solution Center S.A.	**0.14**	(0.01)
TCS Uruguay S. A.	**0.53**	0.38
Tata Consultancy Services Luxembourg S.A.	**0.18**	-
Tata Consultancy Services (Portugal), Unipessoal Limitada	**0.07**	-

Notes forming part of the Financial Statements

(CAD million)

	Year ended March 31, 2022	Year ended March 31, 2021
Compensation to Key Management Personnel		
Short-term benefits	**0.47**	0.43
Professional fees	**0.01**	0.02

17. DIVIDEND

Dividend (including tax on dividend) paid during the year ended March 31, 2022 include an amount of CAD 45,454.5 (March 31, 2021: CAD 31,818.18) per equity share towards interim dividend and CAD 54,545.5 (March 31, 2021: Nil) per equity share towards final dividend for the year ended March 31, 2022.

18. SUBSEQUENT EVENT

The Company has evaluated subsequent events from the balance sheet date through May 17, 2022 the date on which the financials were available for issue and determined that there is no material event to be disclosed.

Tata Consultancy Services UK Limited

Registered number: 08055387

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

for the period ended

31 December 2021

COMPANY INFORMATION

Board of Directors

S.Sankaranarayanan

Director

R.Krishnan

Director

Company Registration Number

08055387

Registered Office

75 Bayham Street
London
England
NW1 0AA

Independent auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present their report together with the financial statements of Tata Consultancy Services UK Limited ('the company') for the 7 month period ended 31 December 2021.

The comparative figures are presented for the year ended 31 May 2021.

The reporting date has been changed to align with parent company, Tata Consultancy Services Limited, guidance on the reporting period of subsidiary financial statements.

Directors

The directors who served during the period were:

S Sankaranarayanan

R Krishnan

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 11 May 2022 and signed on its behalf.

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S Sankaranarayanan

Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
TATA CONSULTANCY SERVICES UK LIMITED
For the period ended 31 December 2021

Opinion

We have audited the financial statements of Tata Consultancy Services UK Limited (the 'company') for the period ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the company through discussions with directors and other management at the planning stage and during the audit;

- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; we considered the impact of COVID-19 on the company and its internal controls;
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including the Companies Act 2006, and taxation legislation; and
- we considered the impact of Brexit on the company and the laws and regulations above.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure throughout the period for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process, taking into account the impact of COVID-19 on controls during the period;
- reviewed journal entries throughout the period to identify unusual transactions, particularly in relation to expenditure;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period; and
- carried out substantive testing to check the occurrence and cut-off of income expenditure.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Wax (Senior statutory auditor)
for and on behalf of
Buzzacott LLP
Statutory Auditor

130 Wood Street
London
EC2V 6DL

12 May 2022

Statement of comprehensive income
For the period ended 31 December 2021

(Amount in GBP)

	7 month period ended 31 December 2021	Year ended 31 May 2021
Administrative expenses	**19,415**	(79,333)
OPERATING PROFIT/(LOSS)	**19,415**	(79,333)
Interest receivable and similar income	**121**	553
PROFIT/(LOSS) BEFORE TAX	**19,536**	(78,780)
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	**19,536**	(78,780)

The notes on pages 19.7 to 19.8 form part of these financial statements.

Statement of financial position
As at 31 December 2021

(Amount in GBP)

	Note	31 December 2021	31 May 2021
CURRENT ASSETS			
Debtors	4	**5,995**	5,995
Cash at bank and in hand		**2,752,516**	2,739,690
		2,758,511	2,745,685
Creditors: amounts falling due within one year	5	**(2,795)**	(9,505)
Net current assets		**2,755,716**	2,736,180
Total assets less current liabilities		**2,755,716**	2,736,180
NET ASSETS		**2,755,716**	2,736,180
CAPITAL AND RESERVES			
Called up share capital		**1**	1
Other reserves		**5,090**	5,090
Profit and loss account		**2,750,625**	2,731,089
		2,755,716	2,736,180

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 May 2022.

S Sankaranarayanan

Director

The notes on pages 19.7 to 19.8 form part of these financial statements.

Notes to the Financial Statements for the period ended 31 December 2021

1. GENERAL INFORMATION

Tata Consultancy Services UK Limited is a private company limited by shares, incorporated in England and Wales.

The address of the company's registered office is 75 Bayham Street, London, England, NW1 0AA. The registration number is 08055387.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

Although the company has ceased trading, the directors do not currently Intend to wind up company within 12 months of the date of approval of these financial statements. The directors remain confident that the company has adequate resources to meet their liabilities as they fall due for the foreseeable future and will have continued financial support, if required, from the parent company, Tata Consultancy Services Limited.

2.3 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.4 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.5 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.6 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

3. EMPLOYEES

The average monthly number of employees, including directors, during the period was 0 (year ended 31 May 2021: 0).

Notes to the Financial Statements for the period ended 31 December 2021

4. DEBTORS

(Amount in GBP)

	31 December 2021	31 May 2021
Other debtors	**5,995**	5,995
	5,995	5,995

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

(Amount in GBP)

	31 December 2021	31 May 2021
Amounts owed to group undertakings	**2**	412
Corporation tax	**93**	93
Accruals and deferred income	**2,700**	9,000
	2,795	9,505

6. INCLUSION IN GROUP FINANCIAL STATEMENTS

The smallest and largest entity for which group accounts are prepared, which include the company, is Tata Consultancy Services Limited ('TCS'). These consolidated accounts can be found at www.tcs.com. The registered office of TCS is 9th Floor, Nirmal Building, Nariman Point, Mumbai, 400 021, India.

TATA CONSULTANCY SERVICES IRELAND LIMITED

(Registration Number: 683660)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the period ended
December 31, 2021

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the period ended December 31, 2021

CONTENT	PAGE

DIRECTORS' AND OTHER INFORMATION
For the period ended December 31, 2021

Directors

Amit Kapur

Director
(Indian national, British resident)

Pradeep Manohar Gaitonde

Director
(Indian national, French resident)

Kunchitham Krithivasan

Director
(Indian national, Indian resident)

Hariharan Subramanian

Company secretary
(Indian national, British resident)

Auditor

KPMG
Chartered Accountants
Dockgate, Dock Road
Galway

Bankers

Citibank Europe plc, Ireland branch
1 North Wall Quay, Dublin 1

Registered Office

29 Earlsfort Terrace
Dublin 2 D02 AY28

Registered number

683660

DIRECTORS' REPORT
For the period December 2, 2020 to December 31, 2021

Principal activities and business review including principal risks and uncertainties

Tata Consultancy Services Ireland Limited ("the Company") was incorporated on 2 December, 2020 as a subsidiary of Tata Consultancy Services Limited India to insource approximately 1500 associates and selected assets of Pramerica Systems Ireland Limited (subsidiary of Prudential Financial Inc ,US) based in Letterkenny, Ireland. The Company became operational in December 2020.

The business purpose of the Company is to provide its main customer, Prudential Financial Inc with a range of IT business, digital and technology services, while also expanding the Company's nearshore capabilities to provide the multifunctional, digital services and solutions to other customers in Ireland, the UK, Europe and the US. Although Covid-19 has had a significant impact on the workplace in general, the trading conditions of the Company have not been impacted and business levels for the period ended 31 December, 2021 were in line with management expectations.

The principal key performance indicators used by management to monitor performance are as follows:-

- Actual financial results versus forecasts
- Regulatory filings
- Employee turnover
- Customer satisfaction
- Operational efficiencies

Principal risks and uncertainties

The principal risks and uncertainties facing the company are as follows:

- the movement in currency rates between USD and EUR.
- current attrition levels and increase in labour costs in the local market.

The company and its parent have a strong management team in place to address and manage these risks.

Results and dividends

Profit on ordinary activities before taxation for the period December 2, 2020 to December 31, 2021 amounted to EUR 2,916,328.

The directors do not recommend the payment of a dividend.

Future developments

The company is expected to increase its level of operations throughout 2022.

Events since the end of the financial year

There have been no significant events affecting the company since the balance sheet date.

Financial Risk Management

The Company is exposed to financial risk through both its financial assets and liabilities. The most important components of this financial risk for the Company are credit risk, foreign exchange risk, interest rate risk and liquidity risk.

Risk Management Framework

The Company's internal organisational and management structure and its system of internal financial reporting to the board of directors is the basis for identifying the predominant source and nature of the differing risks facing the entity.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk is controlled by the company by ensuring credit limits and the credit worthiness of customers are monitored on an ongoing basis.

The company has identified the credit risks associated with the cash and deposits it has placed with third party banking institutions.

Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost, the Company maintains a significant proportion of its funds in liquid form and maintains sufficient liquidity even at unexpected levels of demand.

Interest Rate Risk

Interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in interest rates. Based on current company operations it is not envisaged that the entity is exposed to significant interest rate risk.

Foreign exchange risk

Tata Consultancy Services Ireland Limited conducts business in foreign countries with certain transactions denominated in currencies other than the functional currency of the Company (euros). The purpose of the Company's foreign currency management is to manage the effect of exchange rate fluctuations on transactions denominated in foreign currencies (US dollars).

Accounting Records

The directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at TCS Drive, Letterkenny Business and Technology Park, Letterkenny, Co Donegal, F92 W8CY.

The names of the persons who were directors and secretary at any time during the period ended 31 December, 2021 are set out below.

1. **Amit Kapur (Appointed 02/12/2020)**
   (Director)
2. **Pradeep Manohar Gaitonde (Appointed 02/12/2020)**
   (Director)
3. **Pradeep Manohar Gaitonde (Appointed on 02/12/2020 and Resigned 18/01/2022)**
   (Company secretary)
4. **Hariharan Subramanian (Appointed 18/01/2022)**
   (Company secretary)
5. **Kunchitham Krithivasan (Appointed 02/12/2020)**
   (Director)
6. **Shabbir Garana (Appointed and Resigned on 02/12/2020)**
   (Director)
7. **Karen Corcoran (Appointed and Resigned on 02/12/2020)**
   (Director)
8. **Porema Limited (Appointed and Resigned on 02/12/2020)**
   (Secretary)

Directors' and secretary's interests

The directors and secretary who held office at 31 December, 2021 had no disclosable interests in the shares, debentures or loan stock of the Company or group companies.

Political contribution

The Company made no political contributions or incurred any political expenditure during the period.

Directors Compliance Statement

The directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that section arising from the Companies Act 2014 and Tax Laws.

The directors confirm that:

- A compliance policy statement has been drawn up setting out the Company's policies with regard to such compliance;
- Appropriate arrangements or structures that are designed to secure material compliance with the company's relevant obligations have been put in place; and
- A review of the arrangements and structures referred to above has been conducted during the financial period ended 31 December, 2021.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

Audit Committee

The company has decided not to establish an audit committee for the following reasons:

- the company's parent company has an Audit Committee in place;
- internal audits are carried out; and
- the company has a risk department in place.

Going concern

Management has made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the possible impacts in relation to COVID 19, which is at least, but not limited to, twelve months from the end of the reporting period. Based on the analysis they have concluded that the Company has sufficient resources to continue as a going concern.

Statutory Auditors

During the period, KPMG Chartered Accountants, were appointed as auditor and, in accordance with Section 383(2) of the Companies Act, will continue in office.

For and on behalf of the board of directors of
Tata Consultancy Services Ireland Limited

Pradeep Manohar Gaitonde	**Amit Kapur**
Director	Director
Mumbai	United Kingdom
Date: 11 May, 2022	

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

For the period December 2, 2020 to December 31, 2021

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union and applicable law.

Under Company law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial period and the profit or loss of the company for the financial period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements;
- assess the Company's ability to continue as a going concern dislcosing, as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company, or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

For and on behalf of the board of directors of
Tata Consultancy Services Ireland Limited

Pradeep Manohar Gaitonde
Director
Mumbai

Amit Kapur
Director
United Kingdom

Date: 11 May, 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA CONSULTANCY SERVICES IRELAND LIMITED

for the period December 2, 2020 to December 31, 2021

Opinion

We have audited the financial statements of Tata Consultancy Services Ireland Limited ('the Company') for the period from 2 December, 2020 to 31 December, 2021 on pages 10 to 34 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and related notes, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Company Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December, 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Opinions on other matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 20.6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6- 458b-9b8fa-98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Brian MacSweeney
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
Dockgate, Dock Road, Galway

Date: 11 May, 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amount in EUR)

	Note	For the period December 2, 2020 to December 31, 2021
Revenue	6	92,063,108
Cost of salese	7	(66,900,592)
Gross rofit		**25,162,516**
Other income	8 (a)	882,196
Selling, general and administrative expenses	7	(23,125,181)
Operating profit		**2,919,531**
Finance cost	9	(3,203)
Net finance costs		**(3,203)**
Profit before taxes		**2,916,328**
Income tax expense	10	(400,102)
Profit for the period		**2,516,226**
Other comprehensive income		-
Total comprehensive income for the period		**2,516,226**

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings (Amount in EUR)	Total Equity
Balance as at December 2, 2020	-	-	-
Transactions with owners of the company			-
Issue of ordinary shares	25,000,000	-	25,000,000
Total comprehensive income for the year			
Profit for the period	-	2,516,226	2,516,226
Balance as at December 31, 2021	**25,000,000**	**2,516,226**	**27,516,226**

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

(Amount in EUR)

	Note	As at December 31, 2021
ASSETS		
Non-current assets		
Investments	12(b)	1
Deferred tax assets (net)	10	222,417
Property, plant and equipment	13(a)	5,192,662
Other intangible assets	13(b)	-
Other assets	13(c)	1,391,111
Total non-current assets		**6,806,191**
Current assets		
Cash and cash equivalents	12(a)	4,377,281
Trade and other receivables	12(c)	30,608,532
Other financial assets	12(d)	5 ,263
Income tax assets (net)		51,986
Other assets	13(c)	1,447,679
Total current assets		**36,490,741**
TOTAL ASSETS		**43,296,932**
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade payables	12(e)	7,951,791
Other financial liabilities	12(f)	3,647,701
Deferred income		3 98,653
Employee benefit obligations	11	1,317,486
Provisions	13(e)	5,642
Income tax liabilities		-
Other liabilities	13(d)	2,459,433
Total current liablities		**15,780,706**
TOTAL LIABILITIES		**15,780,706**
Equity		
Share capital	12(j)	25,000,000
Retained earnings		2,516,226
Total equity		**27,516,226**
TOTAL EQUITY AND LIABILITIES		**43,296,932**

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

(Amount in EUR)

	Note	For the period December 2, 2020 to December 31, 2021
Cash flows from operating activities		
Profit for the period		2,516,226
Adjustments to reconcile profit or loss to net cash provided by operating activities		
Depreciation and amortization expenses	13(a & b)	2,290,643
Income tax expense		400,102
Gain on disposal of property, plant and equipment		(25,958)
Finance cost		3,203
Unrealised exchange gain		(421,062)
Operating profit before working capital changes		**4,763,154**
Net change in		
Trade receivables		(30,608,532)
Other financial assets		(5,263)
Other assets		(2,838,790)
Trade and other paybles		7,951,791
Other financial liabilities		3,647,701
Unearned and deferred revenues		398,653
Employee benefit obligations		1,317,486
Other liabilities and provisions		2,465,075
Cash generated from operating activities		**(12,908,725)**
Taxes paid (net of refunds)		(674,504)
Net cash generated from operating activities		**(13,583,229)**
Cash flows from investing activities		
Purchase of property, plant and equipment		(7,529,831)
Purchase of intangible asset		(17)
Disposal of property, plant and equipment		72,500
Payment towards subscription of shares in wholly owned subsidiaries		(1)
Net cash used in investing activities		**(7,457,349)**
Cash flows from financing activities		
Proceeds from issue of share capital		25,000,000
Finance cost		(3,203)
Net cash used in financing activities		**24,996,797**
Net change in cash and cash equivalents		**3,956,219**
Cash and cash equivalents, beginning of the period		-
Exchange difference on translation of foreign currency cash and cash equivalents		421,062
Cash and cash equivalents, end of the period	12(a)	**4,377,281**

The accompanying notes form an integral part of the financial statements.

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services Ireland Limited ("the Company") provides IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model recognised as a benchmark of excellence in software development.

The Company was incorporated on 2 December, 2020 in Ireland as a subsidiary of Tata Consultancy Services Limited India to insource approximately 1500 associates and selected assets of Pramerica Systems Ireland Limited (subsidiary of Prudential Financials Inc ,US) based in Letterkenny, Ireland . The Company became operational in December 2020. The registered address of the company is 29 Earlsfort Terrace, Dublin 2 D02 AY28. Tata Consultancy Services Ireland Limited is a 100% subsidiary of Tata Consultancy Services Limited. The business address of the company is TCS Drive, Letterkenny Business & Technology Park, Letterkenny, Co Donegal, Ireland F92 W8CY.

The Company's immediate parent undertaking and controlling entity is Tata Consultancy Services Limited ("TCSL"), a company incorporated in India, which is registered as an external company in Ireland. The registered office is 9th Floor, Nirmal Building, Nariman Point, Mumbai, 400 021, India. The Company's ultimate parent undertaking and controlling entity is Tata Sons Private Limited whose registered office is Bombay House, 24 Homi Mody Street, Mumbai 400 001.

This is the first set of financial statements of the Company and covers the period from the date of incorporation, 2 December, 2020 to 31 December, 2021.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRS's) as adopted by the European Union.

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instruments 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 or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows have been prepared using the 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and reporting currency of the Company is EURO ("EUR").

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.

Consolidation exemption

The Company has a wholly owned subsidiary, Tata Consultancy Services Bulgaria EOOD. In preparation of these financial statements, the Company is exempt by virtue of section 300 of Companies Act 2014 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual and undertaking and not about its group.

4. Nature and purpose of reserves

a) Retained earnings

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

5. 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 16	: Property, plant and equipment: Proceeds before intended use[1]
Amendments to IAS 37	: Onerous Contracts - Costs of Fulfilling a Contract[1]
Amendments to IFRS 3	: Business Combinations - Reference to Conceptual Framework[1]
Annual Improvements to IFRS Standards 2018-2020	: IFRS 9 and IFRS 16[1]
Amendments to IAS 1	: Classification of Liabilities as Current or Non-current[2]
Amendments to IAS 1 and IFRS Practice Statement 2	: Disclosure of Accounting Policies[2]
Amendments to IAS 8	: Definition of Accounting Estimates[2]
Amendments to IAS 12	: Deferred Tax related to Assets and Liabilities arising from a Single transaction[2]

Insurance Contracts and amendments to IFRS 17

Insurance Contracts[2]

[1]Effective for annual periods beginning on or after January 1, 2022.

[2]Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 – Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

IFRS 17 – Insurance Contracts and amendments to IFRS 17 Insurance Contracts

In June 2020, IASB issued 'IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts'. IFRS 17 sets out the requirements for a company reporting information about insurance contracts it issues and reinsurance contracts it holds. The amendments aims are to increase transparency and to reduce diversity in the accounting for insurance contracts, helping companies implement the Standard and making it easier for them to explain their financial performance. The Group does not expect this amendment to have any significant impact in its financial statements.

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6. REVENUE RECOGNITION

The Company earns revenue primarily from providing information technology, consultancy services and business solutions for its customers. The Company offers a consulting-led, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the entity expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

  Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Transaction price attributed in case of contracts with subsidiary is arrived at on the basis of arm's length price. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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 the 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 is excess of revenue 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 o time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

(Amount in EUR)

	For the period Dec 2, 2020 to Dec 31, 2021
Revenue from consultancy services	**92,063,108**
Total	**92,063,108**

Revenue disaggregation by industry vertical is as follows:

(Amount in EUR)

	For the period Dec 2, 2020 to Dec 31, 2021
Industry Vertical	
Banking, financial services and insurance	**82,059,965**
Manufacturing	**1,424,671**
Retail and consumer business	**971,425**
Communication, media and technology	**362,859**
Energy & Utilities	**14,169**
Hi-Tech Industry Practice	**209,351**
Life Sciences & Healthcare	**6,028,608**
Transportation	**112,110**
Others	**879,950**
Total	**92,063,108**

Notes forming part of the Financial Statements

Revenue disaggregation by geography is as follows:

(Amount in EUR)

	For the period Dec 2, 2020 to Dec 31, 2021
Geography	
America	**80,738,729**
UK	**11,110,241**
Europe	**214,138**
Total	**92,063,108**

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is EUR 148,370,758 out of which 34.37% is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets is given below:

(Amount in EUR)

	For the period Dec 2, 2020 to Dec 31, 2021
Opening balance as at December 2, 2020	**-**
Add: Revenue recognized during the period	**212,194**
Less: Invoices raised during the period	**-**
Add / (Less): Translation during the year	**2,847**
Closing balance as at December 31, 2021	**215,041**

Changes in contract liabilities is as given below:

(Amount in EUR)

	For the period Dec 2, 2020 to Dec 31, 2021
Opening balance as at December 2, 2020	**-**
Less: Revenue recognised during the period	**-**
Add: Invoices raised during the period	**(397,694)**
Add / (Less): Translation during the year	**(959)**
Closing balance as at December 31, 2021	**(398,653)**

7. COST RECOGNITION

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

Cost of sales

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 doubtful trade receivables and advances, 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.

(Amount in EUR)

Expenses by function	For the period Dec 2, 2020 to Dec 31, 2021
Cost of sales	66,900,592
Selling, general and administrative expenses	23,125,181
Total	**90,025,773**

8. OTHER INCOME

a) Other gains (net)

(Amount in EUR)

	For the period Dec 2, 2020 to Dec 31, 2021
Gain disposal of property, plant and equipment	25,958
Net foreign exchange Gain	856,238
Total	**882,196**

9. FINANCE COSTS

Finance costs consist of the following:

(Amount in EUR)

	For the period Dec 2, 2020 to Dec 31, 2021
Interest on bank overdrafts and loans	3,203
Total	**3,203**

10. INCOME TAX

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. 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.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The income tax expense consists of the following:

(Amount in EUR)

	For the period Dec 2, 2020 to Dec 31, 2021
Current Tax	
Current tax expenses for current year	**622,519**
Current tax (benefit) / expense pertaining to prior years	**-**
	622,519
Deferred tax	
Deferred tax credit for current year	**(222,417)**
Total tax expense	**400,102**

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The reconciliation of estimated income tax expense at the statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:

(Amount in EUR)

	For the period Dec 2, 2020 to Dec 31, 2021
Current tax expenses	
Income before taxes	**2,916,328**
Statutory tax rate	**12.50%**
Expected income tax expense	**364,541**
Temporary disallowed expenses	
Impact of higher tax rate	**14,533**
Capital allowances versus depreciation	**23,005**
Expenses disallowed for tax purposes	**(1,977)**
Total tax expense	**400,102**

Note: Income is taxable at Irish corporate tax rate which is 12.5% except income from leased office which taxable at higher tax rate i.e. 25%

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2021 are as follows:

(Amount in EUR)

	Opening balance	Recognised through profit and loss
Deferred tax assets		
Deferred tax assets in relation to:		
Property, plant and equipments	**-**	**157,980**
Others		**64,437**
Total deferred tax asset (net)	**-**	**222,417**

The Company has recognised a deferred tax asset on the basis that it will be recovered throgh future profitability.

11. EMPLOYEE BENEFITS

The Company provides for amount payable to be employees for compensated absences per the company's policy, which are expected to occur within twelve months after the end of the period in which the employee render the related services are recognised as undiscounted liability at the date of statement of financial position.

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Employee benefit expenses consist of the following:

(Amount in EUR)

	As at Dec 31, 2021
Salaries & wages	**61,831,205**
Contributions to defined contribution plans	**2,701,257**
Social Security contributions	**6,120,228**
Total	**70,652,690**

Staff numbers

Average number of persons employed by the company (including directors) during the year, analysed by category are as follows:

	Number of employees as at Dec 31, 2021
Billable roles	**1,287**
Support staff	**84**
	1 ,371

Employee benefit obligation consist of the following::

(Amount in EUR)

	As at Dec 31, 2021
Employee benefit obligations - current	
Compensated absences	**1,317,486**
Total	**1,317,486**

12. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The company derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance.The Company recognises lifetime expected losses for all contract assets and/ or all trade receivables that that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a) Cash and cash equivalents

(Amount in EUR)

	As at Dec 31, 2021
Cash in hand	-
Balances with bank	4,377,281
Total	**4,377,281**

b) Investments

(Amount in EUR)

	As at Dec 31, 2021
Investments Non-current	
Investment carried at cost	
Equity shares	1
	1

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Notes forming part of the Financial Statements

Investments carried at cost includes investments made in Equity shares of Tata Consultancy Services Bulgaria EOOD on 31st August, 2021, which is wholly owned subsidiary of the company, having registered address Sofia Business Park, Building 3, 1st Floor, 1766 Sofia, Bulgaria.

Tata Consultancy Services Bulgaria EOOD ("the Company") provides IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model recognised as a benchmark of excellence in software development.The Company will provide F&A operations supporting EU region for Xerox for the F&A consolidation / transformation initiative.

c) Trade and other receivables

Trade receiavbles consist of the following:

(Amount in EUR)

Trade Receivable - Current	As at Dec 31, 2021
Trade receivables*	24,878,039
Less: Allowance for doubtful trade receivables	-
	24,878,039
Unbilled receivables	5,730,493
Total	30,608,532

(Amount in EUR)

Trade Receivable - Non - current	As at Dec 31, 2021
Trade receivables	-
Less: Allowance for doubtful trade receivables	-
Total	-

* Trade receivables include balances with related party of EUR 3,242,647 as at December 31, 2021 (Refer Note No. 14)

d) Other financial assets

Other financial asset consist of the following:

(Amount in EUR)

Other financial assets - current	As at Dec 31, 2021
Employee advances (net of allowance)	5,263
Total	5,263

e) Trade payables

Trade payables consist of the following:

(Amount in EUR)

Trade payables - Current	As at Dec 31, 2021
Trade payables*	5,805,294
Accrued expenses	2,146,497
Total	7,951,791

(Amount in EUR)

Trade payables - Non - Current	As at Dec 31, 2021
Trade payables	-
Accrued expenses	-
Total	-

* Trade payables and Accrued expenses include balances with related party of EUR 7,249,478 as at December 31, 2021 (Refer Note No. 14)

f) Other financial liabilities - current

(Amount in EUR)

	As at Dec 31, 2021
Capital creditors	155,040
Accrued payroll	3,433,522
Liabilities towards customer contracts	59,139
Total	3,647,701

g) Financial instruments by category

The carrying value of financial assets and financial liabilities as at December 31, 2021 is as follows:

(Amount in EUR)

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	4,377,281	4,377,281
Trade receivables and other receivables	30,608,532	30,608,532
Other financial assets	5,263	5,263
Total	34,991,076	34,991,076
Financial liabilities		
Trade payables	7,951,791	7,951,791
Other financial liabilities	3,647,701	3,647,701
Total	11,599,492	11,599,492

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at December 31, 2021 approximate the fair value.

h) 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 consist 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.

i) Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

- **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rate may have potential impact on the statement of financial statement, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than functional currency of the company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The risk primarily relate to fluctuation of USD, GBP and EUR against the functional currency of the Company.

The foreign exchange rate sensitivity is calculated by aggregation of net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all currencies by 10% against the functional currency of the Company.

The following table sets forth information relating to foreign currency exposure as at December 31, 2021:

(Amount in EUR)

	USD (equivalent EUR)	GBP (equivalent EUR)
Net financial assets	**29,095,098**	**1,343,540**
Net financial liabilities	**4,017,726**	**349,603**

10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Ireland Limited Company would result in decrease / increase in the Company's profit before taxes by approximately EUR 2,607,131 for the period ended December 31, 2021.

- **Interest rate risk**

The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was EUR 35,103,468 as of December 31, 2021 being the total of the carrying amount of balances with bank, bank deposit, trade receivable, unbilled receivables, contract assets and other financial assets.

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The Company's exposure to customers is diversified and single customer contributes to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at December 31, 2021.

(Amount in EUR)

Client Name	As at Dec 31, 2021	
	Total Trade receivables and Unbilled revenue	Percentage
Customer A	**24,472,707**	**80%**

- **Geographic concentration of credit risk**

The Company has a geographic concentration of trade receivables (net of allowances), unbilled receivables and contract assets as given below:

	As at Dec 31, 2021	
Geography	Gross	Net
America	**81%**	**81%**
UK	**18%**	**18%**
Europe	**1%**	**1%**

Geographical concentration of trade receivables, unbilled receivables and contract assets is allocated based on the location of the customers.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(Amount in EUR)

Dec 31, 2021	Due in 1st Year	Due in 2nd to 5th year	Total
Financial liabilities			
Trade and other payables	**7,951,791**	**-**	**7,951,791**
Other financial liabilities	**3,647,701**	**-**	**3,647,701**
Total	**11,599,492**	**-**	**11,599,492**

j) Equity instruments

(Amount in EUR)

	As at Dec 31, 2021
Authorised	
25,000,000 ordinary shares of EUR 1 each	**25,000,000**
Issued, Subscribed and Fully paid up*	
25,000,000 ordinary shares of EUR 1 each	**25,000,000**

*100 ordinary shares of EUR 1 each were originally issued at par to Stembridge Limited, 22 Northumberland Road, Ballsbridge,Dublin 4 on incorporation. These were transferred to Tata Consultancy Services Limited on 2 December, 2020.

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* 24,999,900 ordinary shares of EUR 1 each were issued at par to Tata Consultancy Services Limited on 17 December, 2020.

Capital management

The Company's objective for capital management is to maximize 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 product 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.

13. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

a) Property, plant and equipment

The Company has taken over the running business from a vendor including the fixed assets deployed in the Business. Total Consideration paid for the all the fixed assets has been allocated to each Asset based on the value of the assets as assessed by the Company.

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 value 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 life (in years)
Automobiles	4 years
Computer and equipment	3-4 years
Furniture and fixtures	3-5 years
Office equipment	3-5 years
Electrical installations	5-10 years
Leasehold improvements	Lease term

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 the statement of profit or loss.

Property, plant and equipment consist of the following:

(Amount in EUR)

Description	Land	Leasehold Improvements	Computer equipment	Furniture and fixtures	Automobiles	Office equipment	Electrical Installations	Total
Cost as at Dec 2, 2020	-	-	-	-	-	-	-	-
Additions	557,226	3,891,941	1,898,502	534,332	138,729	3 00,410	69,165	7,390,305
Disposals	-	-	-	-	91,062	-	-	91,062
Cost as at Dec 31, 2021	557,226	3,891,941	1,898,502	534,332	47,667	3 00,410	69,165	7,299,243
Accumulated depreciation as at Dec 2, 2020	-	-	-	-	-	-	-	-
Depreciation for the year	-	(700,965)	(981,152)	(320,567)	(58,969)	(183,815)	(45,158)	(2,290,626)
On disposals	-	-	-	-	44,520	-	-	44,520
Accumulated depreciation as at Dec 31, 2021	-	(700,965)	(981,152)	(320,567)	(14,449)	(183,815)	(45,158)	(2,246,106)
Net carrying amount as at Dec 31, 2021	557,226	3,190,976	917,350	213,765	33,218	116,595	24,007	5,053,137
Capital work in progress								139,525
Total								5 ,192,662

b) Intangible assets

Intangible assets, are measured at cost, less accumulated amortisation and accumulated impairment, if any.

Intangible assets are are amortised on a straight line basis.

Intangible assets consist of software licenses.

Nature of intangible	Useful lives
Software licenses	Lower of licenses period and 4 years

Intangible assets consist of the following:

	Software Licenses
Cost as at December 2, 2020	-
Additions	17
Disposals	-
Cost as at December 31, 2021	17
Accumulated amortisation as at December 2, 2020	-
Amortisation	(17)
Disposals	-
Accumulated amortisation as at December 31, 2021	(17)
Net carrying amount as at December 31, 2021	-

c) Other assets

Other assets consist of the following:

(Amount in EUR)

Other assets - Current	As at Dec 31, 2021
Contract assets	215,041
Advance to suppliers	38,858
Prepaid expenses	720,281
Contract fulfillment cost	89,619
Other advances	383,880
Total	**1,447,679**

(Amount in EUR)

Other assets - Non - current	As at Dec 31, 2021
Prepaid expenses	520,103
Contract fulfillment costs	8,484
Other non current assets	862,524
	1,391,111

d) Other liabilities

Other liabilities consist of the following:

(Amount in EUR)

	As at Dec 31, 2021
Other liabilities - current	
Indirect tax payable and other statutory liabilities	2,075,008
Other current liabilities - Others	384,425
Total	**2,459,433**

e) Provisions

Provisions consist of the following:

(Amount in EUR)

	As at Dec 31, 2021
Provision for foreseeable loss	5,642
Total	**5,642**

14. RELATED PARTY TRANSACTIONS

Tata Consultancy Services Ireland Limited principal related parties consist of its ultimate holding company Tata Sons Private Limited, its immediate parent company Tata Consultancy Services Limited and its subsidiaries, affiliates and its key managerial personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business. The company has not entered into any transaction with its key managerial personnel for the period from 2 December, 2020 to 31 December, 2021.

Transactions with related parties

(Amount in EUR)

Particulars	For the period Dec 2, 2020 to Dec 31, 2021			
	With Tata Sons Private Limited (Ultimate Holding Company)	With Tata Consultancy Services Limited (Parent of Holding Company)	With Subsidiaries of Tata Consultancy Services Limited	Total
Revenue	-	4,690,841	152,344	4,843,185
Purchases of goods and services (including reimbursement)	-	10,545,339	5 9,206	10,604,545
Facility expenses	-	1,785,435	-	1,785,435
Brand equity contribution	143,022	-	-	143,022

Balances with related parties

(Amount in EUR)

Particulars	For the period Dec 2, 2020 to Dec 31, 2021			
	With Tata Sons Private Limited (Ultimate Holding Company)	With Tata Consultancy Services Limited (Parent of Holding Company)	With Subsidiaries of Tata Consultancy Services Limited	Total
Trade receivables, unbilled receivables and pre-payments (net)	-	3,041,267	2 01,380	3,242,647
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities*	143,022	6,997,369	1 09,086	7,249,477

*Includes accrued expenses, trade payables, unearned revenue and volume discount liability, which arise in the normal course of business and do not have any specific terms of repayment.

15. DIRECTOR'S REMUNERATION

Remuneration paid/ payable to directors for the period ended 31 December 2021 is EUR Nil.

16. GOING CONCERN

Management have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the possible impacts in relation to COVID 19, which is at least, but not limited to, twelve months from the end of the reporting period. Based on the analysis they have concluded that the Company has sufficient resources to continue as a going concern.

17. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

18. CONTINGENCIES

The Company has contractually committed (net of advances) EUR 8,524 as at 31 December, 2021 for purchase of property, plant and equipment..

19. COMPARATIVE FIGURES

This being the first IFRS Financial Statements of the Company for the period from 2 December, 2020 to 31 December, 2021, previous period figures are not applicable.

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on ,11 May, 2022

TATA CONSULTANCY SERVICES (SOUTH AFRICA) PROPRIETARY LIMITED

(Registration Number: 2007/031334/07)

ANNUAL FINANCIAL STATEMENTS

For nine months ended December 31, 2021

Audited in compliance with section 30 of the Companies Act of South Africa

Prepared under the supervision of Satyen Deo

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR 9 MONTHS ENDED December 31, 2021

Directors' Statement of Responsibility

The directors of the company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

The directors are also responsible for the company's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the company's assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems have occurred during the year under review.

The financial statements have been prepared on the going concern basis since the directors believe that the company has adequate resources in place to continue in operation for the foreseeable future.

Directors' approval of the annual financial statements

The annual financial statements and directors report were approved by the Directors on March 24, 2022 and are signed on their behalf by:

Lakshminarayanan Gomatam Seshadri

Authorised Director

Henry Langa Dube

Authorised Director

Directors' Report

The directors have pleasure in presenting their report on the activities of the Company for the period ended December 31, 2021. This financial report covers the period 1st April 2021 to 31st December 2021. Comparative figures are for the 12 months to 31, March 2021.

Nature of business

The Company provides IT consulting services.

General review of operations

The financial position of the Company and the results of its operations for the year under review are set out in the attached financial statements and in the opinion of the directors require no further comment. Profit after tax for the Company amounted to ZAR 56,029,193 for the period ended December 2021 (March 2021: ZAR 72,868,833).

Dividends

A dividend of ZAR 72,868,833 was paid during the period ended December 31, 2021 (March 31, 2021: ZAR 58,140,003)

Shareholder

The current shareholders of Tata Consultancy Services (South Africa) Proprietary Limited are:

	As at December 31, 2021	As at March 31, 2021
Tata Consultancy Services (Africa) Proprietary Limited	**100%**	100%

Directors and secretary

The directors of the Company during the year under review and up to the date of this report are:

Henry Langa Dube (Reappointed on September 11, 2019)

Lakshminarayanan Gomatam Seshadri* (Appointed on July 22, 2019)

*Indian

Registered office and postal address

The registered office and postal address of the company are:

Registered Address: 39, Ferguson Road, Illovo, 2196

Postal address: P.O. Box 706, Melrose Arch, 2076

Independent Auditor's Report

KPMG Inc
KPMG Crescent
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Web **http://www.kpmg.co.za**

To the shareholder of Tata Consultancy Services (South Africa) Proprietary Limited

Opinion

We have audited the financial statements of Tata Consultancy Services (South Africa) Proprietary Limited (the Company) set out on pages 1 to 25, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tata Consultancy Services (South Africa) Proprietary Limited as at 31 December 2021, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Tata Consultancy Services (South Africa) Proprietary Limited Annual Financial Statements for the year ended 31 December 2021", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so..

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Inc.

Per C Erasmus
Chartered Accountant (SA)
Registered Auditor
Director
24 March 2022

Statement of Financial Position As at December 31, 2021 and March 31, 2021

(Amount in : ZAR)

	Note	As at December 31, 2021	As at March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	**107,052,507**	78,013,020
Trade receivables	7(b)	**393,826,841**	317,418,947
Unbilled receivables		**5,348,932**	6,666,417
Other financial assets	7(c)	**4,529,534**	7,441,046
Income tax assets (net)		**19,244,799**	14,113,812
Other assets	9(b)	**286,736,539**	203,244,232
Total current assets		**816,739,152**	626,897,474
Non-current assets			
Trade receivables	7(b)	**724,259**	-
Deferred tax assets (net)	13	**46,121,601**	31,603,846
Property, plant and equipment	9(a)	**1,976,388**	2,670,878
Other assets	9(b)	**1,669,229**	-
Total non-current assets		**50,491,477**	34,274,724
TOTAL ASSETS		**867,230,629**	661,172,198
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	7(d)	**545,601,624**	377,253,468
Other financial liabilities	7(e)	**1,131,492**	2,827,184
Unearned and deferred revenue		**132,373,214**	80,177,695
Employee benefit obligations	14	**3,774,226**	4,419,317
Provisions		**(696)**	120,683
Other liabilities	9(c)	**29,927,798**	25,111,239
Total current liabilities		**712,807,658**	489,909,586
TOTAL LIABILITIES		**712,807,658**	489,909,586
Equity			
Share capital		**18,000,001**	18,000,001
Retained earnings	7(i)	**136,422,970**	153,262,611
Total equity		**154,422,971**	171,262,612
TOTAL LIABILITIES AND EQUITY		**867,230,629**	661,172,198

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income
For 9 months ended December 31, 2021 and year ended March 31, 2021

(Amount in : ZAR)

	Note	For 9 months ended December 31, 2021	For the year ended March 31, 2021
Revenue	10	**1,481,648,973**	1,710,712,894
Operating expenses			
Employee cost	14	**87,339,542**	98,266,238
Other operating expenses	11	**1,317,373,073**	1,516,390,119
Depreciation	9(a)	**1,010,344**	1,512,321
Total operating expenses		**1,405,722,959**	1,616,168,678
Operating profit		**75,926,014**	94,544,216
Other income			
Net foreign exchange (losses) / gains		**(120,674)**	2,007,850
Finance income	12(a)	**2,363,028**	3,488,529
Total other income		**2,242,354**	5,496,379
Profit before taxes		**78,168,368**	100,040,595
Income tax expense	13	**22,139,176**	27,171,762
Profit for the year		**56,029,192**	72,868,833
Total comprehensive income, net of taxes		**-**	-
Total comprehensive income for the year		**56,029,192**	72,868,833

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Changes in Equity
For the 9 months ended December 31, 2021 and year ended March 31, 2021

(Amount in : ZAR)

	Share capital	Retained earnings	Total equity
Balance as at April 1, 2020	18,000,001	138,533,781	156,533,782
Total comprehensive income for the year	-	72,868,833	72,868,833
Dividend paid (Per share : 3.23)	-	(58,140,003)	(58,140,003)
Balance as at March 31, 2021	**18,000,001**	**153,262,611**	**171,262,612**
Total comprehensive income for nine months	**-**	**56,029,192**	**56,029,192**
Dividend paid (Per share : 4.05)	**-**	**(72,868,833)**	**(72,868,833)**
Balance as at December 31, 2021	**18,000,001**	**136,422,970**	**154,422,971**

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Cash Flows
For 9 months ended December 31, 2021 and year ended March 31, 2021

(Amount in : ZAR)

	Note	For 9 months ended December 31, 2021	For Year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**56,029,192**	72,868,833
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Depreciation	9(a)	**1,010,344**	1,512,321
Income tax expense		**22,139,176**	27,171,762
Provision for foreseeable losses		**(121,380)**	(2,278,583)
Provision for doubtful debts (net)		**11,696,674**	(58,330)
Operating profit before working capital changes		**90,754,006**	99,216,003
Net change in:			
Trade receivables		**(88,828,826)**	17,934,698
Unbilled receivables		**1,317,486**	(346,000)
Other financial assets		**2,911,513**	298,829
Other assets		**(85,161,537)**	(28,728,246)
Trade and other payables		**168,348,156**	(18,927,810)
Other financial liabilities		**(1,695,692)**	2,011,908
Unearned and deferred revenues		**52,195,520**	(32,819,762)
Employee benefit obligations		**(645,091)**	1,885,527
Other liabilities		**4,816,558**	5,559,872
Cash generated from operating activities		**144,012,093**	46,085,019
Taxes paid (net of refunds)		**(41,787,919)**	6,083,788
Net cash generated from operating activities		**102,224,174**	52,168,807
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(315,854)**	(1,172,220)
Net cash used in investing activities		**(315,854)**	(1,172,220)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of dividend		**(72,868,833)**	(58,140,003)
Net cash used in financing activities		**(72,868,833)**	(58,140,003)
Net change in cash and cash equivalents		**29,039,487**	(7,143,416)
Cash and cash equivalents, beginning of the year		**78,013,020**	85,156,436
Cash and cash equivalents, end of the year	7(a)	**107,052,507**	78,013,020

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Tata Consultancy Services (South Africa) Proprietary Limited (the "Company") is registered under Companies Act of South Africa having registration number 2007/031334/07.

The Company is engaged in a wide range of information technology and consultancy services including systems hardware and software, communications and networking, hardware sizing and capacity planning, software project management solutions, technology education services and business process outsourcing.

The address of the Company's registered office is 39 Ferguson road, Illovo, 2196

The financial statement were approved and authorised for issue on March 24, 2022.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Companies Act of South Africa. The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented.

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instrument which are measured at fair value 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 or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The company changed its accounting period. Accordingly this financial report covers the nine month period 1st April 2021 to 31st December 2021 with the comparatives being for 12 months to 31st March 2021.

The functional and reporting currency of Tata Consultancy Services (South Africa) Proprietary Limited is Rands ("ZAR"). Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency using exchange rates prevailing on the date of statement of financial position. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are included in profit or loss. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements is in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

The company uses the following critical accounting estimates in preparation of its consolidated financial statements:

a. Revenue recognition

Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment

The Company reviews the carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. The carrying amount of property, plant and equipment as on December 31, 2021 was ZAR 1,976,388 (March 31, 2021: ZAR 2,670,878).

c. 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.

d. Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at the end of each reporting period adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

f. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

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

6. RECENT ACCOUNTING STANDARDS

Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use[1]
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract[1]
Amendments to IFRS 3	Business Combination - Reference to conceptual framework[1]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[1]
Amendments to IAS 1	Classification of Liabilities[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]
Amendments to IAS 12	Deferred Tax related to Assets and liabilities arising from a single transaction[2]

[1]Effective for annual periods beginning on or after January 1, 2022.

[2]Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 -- Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12),which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Trade receivable

Trade recoverable without a significant financing component is initially measured at transaction price.

Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Derecognition

(i) Financial asset

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flow in a transaction in which substantially all of the risks and rewards of the ownership of financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all the risks and rewards of the transferred assets. In these cases the transferred assets are not derecognised.

(ii) Financial liability

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The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also derecognises financial liability when its terms are modified and cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of financial liability the difference between the carrying amount extinguished and the consideration paid (including any non cash asset transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has legally enforceable right to set off the amount and it intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

a. Cash and cash equivalents

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
Cash in hand	**16,000**	16,000
Balances with bank	**37,036,507**	77,997,020
Short term bank deposits	**70,000,000**	-
Total	**107,052,507**	78,013,020

b. Trade receivables

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
Trade Receivables - Current		
Trade receivables*	**423,114,256**	335,009,688
Less: Allowance for doubtful trade receivables	**(29,287,415)**	(17,590,741)
Total	**393,826,841**	317,418,947
Trade receivables - Non- Current		
Trade receivables	**724,259**	-
Total	**724,259**	-

* Trade receivables include balances with related party of ZAR 41,460,135 as at December 31, 2021 (ZAR 37,306,234 as at March 31, 2021) (Refer Note No. 15)

Movement in the provision for doubtful debt

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
At April 1	**17,590,741**	17,649,071
Additional provision during the year	**11,696,674**	-
Recovered during the year	**-**	(54,373)
Add/Less: Exchange difference	**-**	(3,957)
At March 31	**29,287,415**	17,590,741

c. Other financial assets

Other financial asset consist of the following:

(Amount in : ZAR)

Other financial assets - current	As at December 31, 2021	As at March 31, 2021
Employee advances (net of allowance)	**463,450**	696,811
Premises deposits net of allowance	**3,758,236**	6,612,076
Other	**307,848**	132,159
Total	**4,529,534**	7,441,046

* Other include balances with related party of ZAR 114,622 as at December 31, 2021 (ZAR 132,153 as at March 31, 2021) (Refer Note No. 15)

d. Trade payables

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
Trade payables*	**359,749,752**	224,295,210
Accrued expenses	**185,851,872**	152,958,258
Total	**545,601,624**	377,253,468

* Trade payables and Accrued expenses include balances with related party of ZAR 524,342,471 as at December 31, 2021 (ZAR 349,141,206 as at March 31, 2021) (Refer Note No. 15)

e. Other financial liabilities - current

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
Accrued payroll	**253,260**	1,877,459
Liabilities towards customer contracts	**878,232**	949,725
Total	**1,131,492**	2,827,184

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f. Financial instruments by category

The carrying value of financial assets and financial liabilities as at December 31, 2021 is as follows:

(Amount in : ZAR)

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	**107,052,507**	**107,052,507**
Trade receivables	**394,551,100**	**394,551,100**
Unbilled receivables	**5,348,932**	**5,348,932**
Other financial assets	**4,529,534**	**4,529,534**
Total	**511,482,073**	**511,482,073**
Financial liabilities		
Trade payables	**545,601,624**	**545,601,624**
Other financial liabilities	**1,131,492**	**1,131,492**
Total	**546,733,116**	**546,733,116**

The fair value of financial assets and financial liabilities as at March 31, 2021 is as follows:

(Amount in : ZAR)

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	78,013,020	78,013,020
Trade receivables	317,418,947	317,418,947
Unbilled revenue	6,666,417	6,666,417
Other financial assets	7,441,046	7,441,046
Total	409,539,430	409,539,430
Financial liabilities		
Trade payables	377,253,468	377,253,468
Other financial liabilities	2,827,184	2,827,184
Total	380,080,652	380,080,652

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at December 31, 2021 and March 31, 2021 approximate the fair value.

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.

h. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rate may have potential impact on the statement of financial statement, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than functional currency of the company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

  The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

  The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the company.

  The following table sets forth information relating to foreign currency exposure as at December 31, 2021:

	USD (equivalent ZAR)	EUR (equivalent ZAR)	GBP (equivalent ZAR)
Net financial assets	**670,536**	**79,254**	**-**
Net financial liabilities	**625,899**	**35,816**	**-**

10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services South Africa Pty Ltd Company would result in decrease / increase in the Company's profit before taxes by approximately ZAR 8,808 for the period ended December 31, 2021.

The following table sets forth information relating to foreign currency exposure as at March 31, 2021:

	USD (equivalent ZAR)	EUR (equivalent ZAR)	GBP (equivalent ZAR)
Net financial assets	942,315	20,257	-
Net financial liabilities	799,897	22,508	-

10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services South Africa Pty Ltd Company would result in decrease / increase in the Company's profit before taxes by approximately ZAR 14,017 for the period ended March 31, 2021.

- **Interest rate risk**

  Interest rate risk is the risk of changes in market interest rates affecting the overall return of the Company. The Company does not hedge its interest rate exposure. The Company's exposure to interest rate risk is limited to its balance maintained with bank.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

The Company considers that its receivables from related parties, has low credit risk based on the credit rating of the counter parties.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was ZAR 618,458,417 and ZAR 473,829,218 as of December 31, 2021 and March 31, 2021, respectively being the total of the carrying amount of balances with bank, bank deposit, trade receivable, unbilled receivables, contract assets and other financial assets. Balance with bank are held with banks with high credit ratings. As of December 31, 2021 there were no indications that any defaults will occur on trade receivable, unbilled revenues contract assets, or other financial assets.

  Tata Consultancy Services South Africa Pty Ltd Company's exposure to customers is diversified and single customer contributes to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at December 31, 2021 and March 31, 2021.

(Amount in : ZAR)

Client Name	As at December 31, 2021		As at March 31, 2021	
	Total trade receivables and Unbilled revenue	Percentage	Total trade receivables and Unbilled revenue	Percentage
Customer A	**52,678,757**	**10%**	39,163,657	10%
Customer B	**-**	**-**	37,306,234	10%
Customer C	**78,725,604**	**15%**	-	-
Customer D	**-**	**-**	-	-

- **Geographic concentration of credit risk**

  The Company has a geographic concentration of trade receivables (net of allowances), unbilled revenue and contract assets as given below:

	As of December 31, 2021	As of March 31, 2021
Africa	**100.00%**	99.75%
America	**0.00%**	0.24%
UK	**0.00%**	0.00%
India	**0.00%**	0.01%

Geographical concentration of trade receivables, unbilled receivables and contract assets is allocated based on the location of the customers.

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. The expected credit loss allowance is based on the ageing of the days the receivables are due and are as follows:

(Amount in : ZAR)

December 31, 2021	Weighted average loss rate %	Gross carrying amount*	Loss allowance	Credit impaired
No Due	**0.00%**	**226,788,655**	**(22)**	**No**
1-90	**0.00%**	**103,048,529**	**(48)**	**No**
91-180	**0.00%**	**12,013,288**	**(34)**	**No**
181-272	**90.84%**	**-**	**-**	**No**
>273	**100.00%**	**3,416,717**	**(3,416,717)**	**Yes**

March 31, 2021	Weighted average loss rate %	Gross carrying amount*	Loss allowance	Credit impaired
No Due	0.05%	240,187,463	(125,273)	No
1-90	0.26%	20,287,373	(51,914)	No
91-180	2.28%	411,835	(9,403)	No
181-272	32.13%	-	-	No
>273	100.00%	1,308,221	(1,308,221)	Yes

*Gross carrying amount excludes inter-company receivables and receivable against which specific allowance has been made.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(Amount in : ZAR)

	Due in 1st year	Due in 2nd to 5th year	Total
December 31, 2021			
Financial liabilities			
Trade and other payables	**545,601,624**	**-**	**545,601,624**
Other financial liabilities	**1,131,492**	**-**	**1,131,492**
Total	**546,733,116**	**-**	**546,733,116**

	Due in 1st year	Due in 2nd to 5th year	Total
March 31, 2021			
Financial liabilities			
Trade and other payables	377,253,468	-	377,253,468
Other financial liabilities	2,827,184	-	2,827,184
Total	380,080,652	-	380,080,652

i. Equity instruments

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
Authorised		
20,000,000 ordinary shares of ZAR 1 each	**20,000,000**	20,000,000
Issued, Subscribed & Fully paid up		
18,000,001 ordinary shares of ZAR 1 each	**18,000,001**	18,000,001

The remaining unissued ordinary shares are under the unrestricted control of the directors until the forthcoming annual general meeting.

	As at December 31, 2021	As at March 31, 2021
Share holding	**Percentage**	Percentage
Tata Consultancy Services (Africa) Proprietary Limited	**100%**	100%

Capital management

The Company's objective for capital management is to maximize 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 product 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.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and 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 Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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.

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Operating leases

For transition, the Company has elected not to apply the requirements of IFRS 16 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

The Company incurred ZAR 45,470,760 and ZAR 75,677,619 for nine months ended December 31, 2021 and for the year ended March 31, 2021, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is ZAR 45,470,760 and ZAR 75,677,619 for nine months ended December 31, 2021, and for the year ended March 31, 2021, respectively, including cash outflow for short-term leases and leases of low-value assets.

The Company does not have lease term extension options that are not reflected in the measurement of lease liabilities.

9. NON-FINANCIAL ASSETS AND 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 values 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	Method	Useful life (in years)
Computer and equipment	Straight Line Method	4 years
Furniture and fixtures	Straight Line Method	5 years
Office equipment	Straight Line Method	5 years
Electrical installations	Straight Line Method	10 years
Leasehold improvements	Straight Line Method	Lease term

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.

Notes forming part of the Financial Statements For 9 months ended December 31, 2021

Property, Plant and equipment consist of the following:

(Amount in : ZAR)

	Leasehold Improvements	Computer equipment	Furniture and Fixtures	Office equipment	Electrical installations	Total
Gross block as at April 1, 2021	**190,000**	**12,658,145**	**281,947**	**659,359**	**61,170**	**13,850,621**
Additions	**-**	**315,854**	**-**	**-**	**-**	**315,854**
Disposals	**-**	**124,144**	**-**	**-**	**-**	**124,144**
Gross block as at December 31, 2021	**190,000**	**12,849,855**	**281,947**	**659,359**	**61,170**	**14,042,331**
Accumulated depreciation as at April 1, 2021	**190,000**	**10,175,000**	**219,899**	**582,272**	**12,572**	**11,179,743**
Disposals	**-**	**124,144**	**-**	**-**	**-**	**124,144**
Depreciation for nine months	**-**	**934,089**	**3 0,453**	**41,194**	**4,608**	**1,010,344**
Accumulated depreciation as at December 31, 2021	**190,000**	**10,984,945**	**2 50,352**	**623,466**	**17,180**	**12,065,943**
Net carrying amount as at December 31, 2021	**-**	**1,864,910**	**31,595**	**35,893**	**43,990**	**1,976,388**
Capital work in progress						**-**
Total						**1,976,388**

	Leasehold Improvements	Computer equipment	Furniture and Fixtures	Office equipment	Electrical installations	Total
Gross block as at April 1, 2020	190,000	11,503,396	261,247	659,359	47,553	12,661,555
Additions	-	1,154,749	20,700	-	13,617	1,189,066
Gross block as at March 31, 2021	190,000	12,658,145	281,947	659,359	61,170	13,850,621
Accumulated depreciation as at April 1, 2020	190,000	8,775,605	174,814	519,613	7,390	9,667,422
Depreciation for the year	-	1,399,395	45,085	62,659	5,182	1,512,321
Accumulated depreciation as at March 31, 2021	190,000	10,175,000	219,899	582,272	12,572	11,179,743
Net carrying amount as at March 31, 2021	-	2,483,145	62,048	77,087	48,598	2,670,878
Capital work in progress						-
Total						2,670,878

b. Other assets

Other assets consist of the following:

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
Other assets - Current		
Advance to suppliers	**128,001**	-
Prepaid expenses*	**162,524,553**	121,660,496
Prepaid Rent-Others	**4,108,750**	4,977,287
Contract fulfilment cost**	**15,379,709**	12,299,962
Contract assets	**104,578,827**	64,289,788
Other current assets - others	**16,699**	16,699
Total	**286,736,539**	203,244,232

* Prepaid expenses include balances with related party of ZAR 162,524,554 as at December 31, 2021 (ZAR 121,658,665 as at March 31, 2021) (Refer Note No. 15)

** Contract fulfilment cost of ZAR Nil for nine months ended December 31, 2021(ZAR 140,086 for the year ended March 31, 2021) has been amortized in statement of Profit and Loss.

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
Other assets - Non-Current		
Contract assets - non-current	**1,669,229**	-
Total	**1,669,229**	-

c. Other liabilities

Other liabilities consist of the following:

(Amount in : ZAR)

	As at December 31, 2021	As at March 31, 2021
Other liabilities - current		
Advance received from customers	**10,203,981**	5,130,437
Indirect tax payable and other statutory liabilities	**19,723,817**	19,980,802
Total	**29,927,798**	25,111,239

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of

accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.

- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer

- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Transaction price attributed in case of contracts with subsidiary is arrived at on the basis of arm's length price. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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 the 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 is excess of revenue 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 is 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue from operations includes ZAR 8,981,871 for nine months ended December 31, 2021 (for the year ended March 31, 2021:ZAR 9,168,331) towards sale of equipment and software licences.

Revenue disaggregation by nature of services is as follows:

(Amount in : ZAR)

	9 months ended December 31, 2021	Year ended March 31, 2021
Revenue from consultancy services*	**1,472,667,102**	1,701,544,563
Revenue from sale of equipment and software licences	**8,981,871**	9,168,331
Total	**1,481,648,973**	1,710,712,894

*Revenue includes recovery of expenses from Tata Consultancy Services Limited of ZAR 10,374,977 for December, 2021 (ZAR Nil for March, 2021) and TCS South Africa Branch of ZAR 152,908,546 for December, 2021 (ZAR 193,941,049 for March, 2021)

Revenue disaggregation by industry vertical is as follows:

(Amount in : ZAR)

	9 months ended December 31, 2021	Year ended March 31, 2021
Industry vertical		
Banking, financial services and insurance	**7 88,611,186**	8 93,534,731
Communication, media and technology	**4 81,134,659**	6 00,443,125
Retail and consumer business	**101,996,951**	116,173,458
Manufacturing	**10,155,887**	11,976,482
Others	**99,750,290**	88,585,098
Total	**1,481,648,973**	1,710,712,894

Revenue disaggregation by geography is as follows:

(Amount in : ZAR)

	9 months ended December 31, 2021	Year ended March 31, 2021
Geography		
Africa	**1,475,610,598**	1,699,452,295
Europe	**4,582,693**	5,705,058
Others	**1,455,682**	5,555,541
Total	**1,481,648,973**	1,710,712,894

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed

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the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ZAR 1,388,452,199 out of which 76.72 percent is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

(Amount in : ZAR)

Movement in contract assets is given below:	**9 months ended December 31, 2021**	**Year ended March 31, 2021**
Opening balance as at April 1,	**64,289,788**	33,780,845
Add: Revenue recognized during the year	**102,173,078**	64,289,788
Less: Invoices raised during the year	**(60,214,810)**	(33,780,845)
Closing balance as at December 31 / March 31,	**106,248,056**	64,289,788

(Amount in : ZAR)

Movement in contract liabilities is as given below:	**9 months ended December 31, 2021**	**Year ended March 31, 2021**
Opening balance as at April 1,	**80,177,695**	112,997,456
Less: Revenue recognised during the year	**(71,466,028)**	(106,965,801)
Add: Invoices raised during the year	**123,661,547**	74,146,040
Closing balance as at December 31 / March 31,	**132,373,214**	80,177,695

11. 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 doubtful trade receivables and advances, 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.

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(Amount in : ZAR)

	9 months ended December 31, 2021	Year ended March 31, 2021
Expenses by function		
Cost of revenue	**1,330,122,089**	1,529,396,837
Selling, general and administrative expenses	**75,600,870**	86,771,841
Total	**1,405,722,959**	1,616,168,678

Costs and expenses are recognized when incurred and have been classified according to their nature.

The costs of the company are broadly categorised into employee benefit expenses, depreciation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as contribution to brand equity, employee cost recovery, corporate overhead allocation, commission and brokerage, recruitment and training, entertainment, etc.

(Amount in : ZAR)

Expenses by nature	9 months ended December 31, 2021	Year ended March 31, 2021
Other operating expenses		
Project expenses	**14,027,034**	38,272,196
Facility running expenses*	**47,188,479**	77,266,380
Fees to external consultants	**1,214,322,555**	1,371,056,342
Cost of equipment and software licenses	**8,361,789**	7,634,323
Travel expenses*	**1,663,515**	2,249,619
Communication	**1,394,884**	1,887,699
Other expenses	**30,414,817**	18,023,560
Total	**1,317,373,073**	1,516,390,119

*Facility running expenses & Travel expenses includes short term lease expenses amounting ZAR 45,470,760 for December 31, 2021 (ZAR 75,677,619 operating lease rental expenses for March 31, 2021).

12. OTHER INCOME

a. Finance income

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

(Amount in : ZAR)

	9 months ended December31,2021	Year ended March 31, 2021
Interest on balance with bank	**2,150,438**	2,625,711
Others	**212,590**	862,818
Total	**2,363,028**	3,488,529

13. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. 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.

Deferred income taxes

Deferred income taxes are provided for the temporary differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The income tax expense consists of the following:

(Amount in : ZAR)

	9 months ended December 31, 2021	Year ended March 31, 2021
Current tax		
Current tax expense for current year	**36,404,899**	18,847,427
Current tax (benefit) / expense pertaining to prior years	**252,033**	(10,793,110)
	36,656,932	8,054,317
Deferred tax		
Deferred tax expense for current year	**(14,517,756)**	9,648,320
Deferred tax expense pertaining to prior years	**-**	9,469,125
	(14,517,756)	19,117,445
Total tax expense	**22,139,176**	27,171,762

The reconciliation of estimated income tax expense at the Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:

(Amount in : ZAR)

	9 months ended December 31, 2021	Year ended March 31, 2021
Current tax expenses		
Income before taxes	**78,168,368**	100,040,595
Statutory tax rate	**28.00%**	28.00%
Expected income tax expense	**21,887,143**	28,011,367
Tax pertaining to prior years:		
Current tax	**252,033**	(10,793,110)
Deferred tax	**-**	9,469,125
Temporary disallowed expenses		
Donations	**-**	5 6,000
Other non deductible	**-**	428,380
Total tax expense	**22,139,176**	27,171,762

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2021 are as follows:

(Amount in : ZAR)

	Opening balance	Recognised through profit or loss	Closing balance as December 31,2021
Deferred tax assets			
Deferred tax assets in relation to:			
Deferred revenue	**22,449,755**	**14,614,745**	**37,064,500**
Allowances for receivables, loans and advances	**(1,713,186)**	**(1,139,153)**	**(2,852,339)**
Provisions	**12,260,917**	**798,974**	**13,059,891**
Other Advance - Rent	**(1,393,640)**	**243,190**	**(1,150,450)**
Total deferred tax asset (net)	**31,603,846**	**14,517,756**	**46,121,602**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(Amount in : ZAR)

	Opening balance	Recognised through profit or loss	Closing balance as on March 31, 2021
Deferred tax assets			
Deferred tax assets in relation to:			
Deferred revenue	40,477,838	(18,028,083)	22,449,755
Allowances for receivables, loans and advances	(1,074,291)	(638,895)	(1,713,186)
Provisions	11,317,744	943,173	12,260,917
Other Advance - Rent	-	(1,393,640)	(1,393,640)
Total deferred tax asset	50,721,291	(19,117,445)	31,603,846

IFRIC 23 Interpretation uncertainty over income tax treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The Company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no instances of any uncertain tax treatment in the past and on that basis it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

14. EMPLOYEE BENEFITS

The Company provides for amount payable to be employees for compensated absences per the company's policy, which are expected to occur within twelve months after the end of the period in which the employee render the related services are recognised as undiscounted liability at the date of statement of financial position.

Employee cost consist of the following:

(Amount in : ZAR)

	As at December 31,2021	As at March 31, 2021
Contributions to provident and other funds	**7,768,028**	8,534,993
Salaries & bonus	**79,087,948**	89,140,714
Staff welfare	**483,566**	590,531
Total	**87,339,542**	98,266,238

Employee benefit obligation consist of the following:

(Amount in : ZAR)

	As at December 31,2021	As at March 31, 2021
Employee benefit obligations - current		
Compensated absences	**3,774,226**	4,419,317
Total	**3,774,226**	4,419,317

15. RELATED PARTY TRANSACTIONS

Tata Consultancy Services (South Africa) Proprietary Limited principal related parties consist of its ultimate holding company Tata Sons Private Limited, its parent of holding company Tata Consultancy Services Limited, its holding Company Tata Consultancy Services (Africa) Proprietary Limited and its subsidiaries, affiliates and its key managerial personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business.

Transactions with related parties

Amount in ZAR

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Africa Pty Ltd., Holding Company	With Tata Consultancy Services Limited, Parent of Holding Company	With Tata Consultancy Services Limited - South Africa Branch, Holding Company	With Titan Company Limited, subsidiary of Ultimate Holding Company	With Tata Africa Holding (SA) Pty. Ltd. subsidiary of Ultimate Holding Company	With Tata Communications Limited, subsidiary of Ultimate Holding Company	Total
For nine months ended December 31, 2021								
Revenue from sale of services and licences	-	-	**10,374,977**	**152,908,546**	-	-	-	**163,283,523**
Purchases of goods and services (including reimbursement)	-	-	**680,364,645**	**4 80,297,163**	-	**15,585**	**1,866,952**	**1,162,544,345**
Rent expense	-	-	-	-	-	**3,129,775**	-	**3,129,775**
Brand equity contribution	**3,298,387**	-	-	-	-	-	-	**3,298,387**
Dividend Paid	-	**72,868,833**	-	-	-	-	-	**72,868,833**
Purchase of property, plant and equipment	-	-	-	-	-	-	-	-
For the year ended March 31, 2021								
Revenue from sale of services and licences	-	-	-	193,941,049	-	-	-	193,941,049
Purchases of goods and services (including reimbursement)	-	-	637,203,593	714,841,539	132,989	26,273	2,255,050	1,354,459,444
Rent expense	-	-	-	-	-	4,967,293	-	4,967,293
Brand equity contribution	3,798,269	-	-	-	-	-	-	3,798,269
Dividend Paid	-	58,140,003	-	-	-	-	-	58,140,003
Purchase of property, plant and equipment	-	-	-	-	-	20,700	-	20,700

Balances with related parties

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Africa Pty Ltd., Holding Company	With Tata Consultancy Services Limited, Parent of Holding Company	With Tata Consultancy Services Limited - South Africa Branch, Holding Company	With Titan Company Limited, subsidiary of Ultimate Holding Company	With Tata Africa Holding (SA) Pty. Ltd. subsidiary of Ultimate Holding Company	With Tata Communications Limited, subsidiary of Ultimate Holding Company	Total
As at December 31, 2021								
Trade receivables, unbilled receivables and prepayments (net)	**-**	**-**	**-**	**4 1,460,135**	**-**	**-**	**-**	**41,460,135**
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	**3,298,387**	**-**	**172,708,644**	**348,335,440**	**-**	**-**	**-**	**524,342,471**
Prepaid expenses	**-**	**-**	**109,045,060**	**5 3,479,494**	**-**	**-**	**-**	**162,524,554**
Volume Discount	**-**	**-**	**55,812**	**5 8,810**	**-**	**-**	**-**	**114,622**
As at March 31, 2021								
Trade receivables, unbilled receivables and prepayments (net)	-	-	-	37,306,234	-	-	-	37,306,234
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	3,798,279	-	135,195,887	210,144,441	893	1,706	-	349,141,206
Prepaid expenses	-	-	100,349,492	21,309,173	-	-	-	121,658,665
Volume Discount	-	-	62,529	69,624	-	-	-	132,153

16. COMPENSATION TO KEY MANAGERIAL PERSONNEL

Mr. Adil N. Tantra (Head of operations – South Africa)

(Amount in : ZAR)

Particulars	9 months ended December 31, 2021	Year ended March 31, 2021
Basic	**1,222,069**	1,598,321
Bonus	**-**	200,534
Other contribution	**224,498**	345,884
Total	**1,446,567**	2,144,739

Mr. Henry Langa Dube (Director)

Particulars	9 months ended December 31, 2021	Year ended March 31, 2021
Basic	**1,268,037**	1,555,590
Bonus	**395,899**	374,737
Other contribution	**282,875**	342,906
Total	**1,946,811**	2,273,233

17. GOING CONCERN

Management have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the possible impacts in relation to COVID 19, which is at least, but not limited to, twelve months from the end of the reporting period. Based on the analysis they have concluded that the Company has sufficient resources to continue as a going concern.

18. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements except for on 23 February 2022 the minister announced the corporate income tax rate will be lowered to 27% for years of assessment commencing on or after 1 April 2022 which will impact deferred tax balance going forward.

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TCS Financial Solutions Australia Pty Limited

Financial Statements And Independent Auditor's Report

For the year ended March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

INDEPENDENT AUDITORS' REPORT

The Board of Directors

TCS Financial Solutions Australia Pty Limited ('the Company')

Report on the special purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of TCS Financial Solutions Australia Pty Limited ('the Company'), which comprise the statement of financial position as of March 31st 2022, and the related statement of profit or loss and other comprehensive income, changes in equity, and cash flow for the year then ended, and the related notes to the special purpose financial statements. The special purpose financial statements have been prepared by the management as described in Note 2 to the Special Purpose financial statements in accordance with the International Financial Reporting Standards (IFRS).

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31st 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) generally accepted in the India. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Special purpose financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose financial statements under the provisions of the Act and the Rules there under, and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for special purpose Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these Special purpose financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the IFRS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

In preparing these Special purpose financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Restriction on Distribution and Use

Audit of this special purpose financial statements, in accordance with International Financial Reporting Standards of the Company for the year ended 31st March, 2022 have been prepared for the limited purpose of consolidated financial statements, to comply with the Section 129(3) of the Companies Act 2013, of Tata Consultancy Services Limited for the year ended 31st March 2022. Our report is strictly intended solely for the information and use by TCS for the preparation of consolidated financial statements and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

K B J & ASSOCIATES.
(Chartered Accountants)
(Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(Membership No.48889)

Date: 02nd May 2022
Place: Mumbai

Statement of Financial Position

(Amount in AUD)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	**3,876,859**	5,434,736
Trade receivables			
Billed	7(b)	**2,264,570**	8,032,304
Unbilled		**9,459,736**	3,126,960
Other financial assets	7(d)	**208**	44
Other assets	9(c)	**233,385**	247,282
Total current assets		**1 5,834,758**	1 6,841,326
Non-current assets			
Investments	7(c)	**7,227,539**	7,227,539
Income tax assets (net)		**11,916**	-
Deferred tax assets (net)	13	**98,360**	93,896
Total non-current assets		**7,337,815**	7,321,435
TOTAL ASSETS		**2 3,172,573**	2 4,162,761
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	7(e)	**523,112**	423,904
Unearned and deferred revenue	10	**167,475**	148,123
Income tax liabilities (net)		**1,234,424**	1,836,891
Total current liabilities		**1,925,011**	2,408,918
Non-current liabilities			
Other financial liabilities	7(f)	**6,027,421**	6,027,421
Total non-current liabilities		**6,027,421**	6,027,421
TOTAL LIABILITIES		**7,952,432**	8 ,436,339
Equity			
Share capital	7(j)	**4**	4
Retained earnings		**15,247,397**	15,735,719
Foreign Currency Translation Reserve		**(27,260)**	(9,301)
Total equity		**15,220,141**	15,726,422
TOTAL LIABILITIES AND EQUITY		**2 3,172,573**	2 4,162,761

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS.

Statement of Profit or Loss and Other Comprehensive Income

(Amount in AUD)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue	10	**12,021,746**	13,915,857
Operating expenses			
Employee benefit obligations	14(a)	**-**	1,272
Other operating expenses	11	**2,364,862**	2,477,042
Total operating expenses		**2,364,862**	2,478,314
Operating profit		**9,656,884**	1 1,437,543
Other (expense) / income			
Other non-operating income /(loss), net	12	**21,281**	(714,824)
PROFIT BEFORE TAXES		**9,678,165**	1 0,722,719
Income tax expense	13	**(2,666,487)**	(2,011,207)
PROFIT FOR THE YEAR		**7,011,678**	8,711,512
Other comprehensive income / (loss)		**(17,959)**	533,656
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**6,993,719**	9,245,168

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS.

Statement of changes in Equity

(Amount in AUD)

	Share capital	Retained earnings	Foreign Currency Translation Reserve	Total equity
Balance as at April 1, 2020	4	22,024,207	(542,957)	2 1,481,254
Total comprehensive income for the year	-	8,711,512	533,656	9 ,245,168
Dividend paid	-	(15,000,000)	-	(15,000,000)
Balance as at March 31, 2021	**4**	**15,735,719**	**(9,301)**	**15,726,422**
Total comprehensive income for the year	**-**	**7,011,678**	**(17,959)**	**6,993,719**
Dividend paid	**-**	**(7,500,000)**	**-**	**(7,500,000)**
Balance as at March 31, 2022	**4**	**15,247,397**	**(27,260)**	**15,220,141**

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS.

Statement of Cash Flows

(Amount in AUD)

	Note	For Year ended March 31, 2022	For Year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**7,011,678**	8,711,512
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Income tax expense	13	**2,666,487**	2,011,207
Provision of allowance for doubtful trade receivables (net)	7(b)	**(354)**	(47,083)
Foreign currency translation reserve		**(17,959)**	533,656
NET CHANGE IN WORKING CAPITAL			
Trade receivables		**5,768,088**	4,774,778
Unbilled revenues		**(6,332,776)**	(1,953,476)
Other financial assets		**(164)**	751
Other assets		**13,899**	73,829
Trade and other payables		**99,208**	(94,833)
Unearned and deferred revenues		**19,351**	(161,682)
Other financial liabilities		**-**	-
Cash generated from operating activities		**9,227,457**	13,848,659
Income taxes paid		**(3,285,334)**	(2,665,407)
Net cash generated from operating activities		**5,942,123**	11,183,252
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of dividend		**(7,500,000)**	(15,000,000)
Net cash used in financing activities		**(7,500,000)**	(15,000,000)
Net change in cash and cash equivalents		**(1,557,877)**	(3,816,748)
Cash and cash equivalents, beginning of the year		**5,434,736**	9,251,484
Cash and cash equivalents, end of the year	7(a)	**3,876,859**	5,434,736

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS.

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

TCS Financial Solutions Australia Pty Limited (the "Company") is a Company limited by shares, incorporated and domiciled in Australia.

The main business of the company is to create computer software for banking and to market and license the software worldwide and to provide maintenance services.

The registered office address is TCS Financial Solutions Australia Pty Limited, Level 6, 76 Berry Street, North Sydney NSW 2060.

The financial statements of the company have been drawn up as a special purpose financial statements for the distribution to the shareholder.

As at March 31, 2022, TCS FNS Pty Ltd is the parent entity holding 100 Percent of shares of the company.

The financial statements were approved and authorised for issue on 02nd May 2022.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the international accounting standard board ("IASB") and applicable provisions of Australian corporations Law. This special purpose financial statements have been prepared for inclusion of Tata Consultancy Services Limited (Intermediate Holding Company) under the requirement of Section 129(3) of the Companies Act, 2013 ('the Act'). The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented in these financial statements.

3. BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis 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 or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and presentation currency of the Company is Australian Dollar ("AUD").

Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency using exchange rates prevailing on the date of statement of financial position. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are included in profit or loss. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

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Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment

The Company reviews the carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. 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.

d. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

f. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

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

b. Foreign Currency Translation Reserve

The foreign currency translation reserve records the exchange difference on translation of foreign controlled entities. Debit balance in foreign currency translation reserve as on March 31, 2022 AUD 27,260 and in March 31, 2021 AUD 9,301.

6. RECENT ACCOUNTING STANDARDS

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

Amendments to IAS 1	Classification of Liabilities[4]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

[1]Effective for annual periods beginning on or after January 1, 2023.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been

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replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group will evaluate the impact, if any, in its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

(Amount in AUD)

	As at March 31, 2022	As at March 31, 2021
Cash at banks and in hand	**1,876,859**	5,434,736
Bank deposits (original maturity less than three months)	**2,000,000**	-
Total	**3,876,859**	5,434,736

b. Trade receivables

(Amount in AUD)

Trade receivables - Billed - Current	As at March 31, 2022	As at March 31, 2021
Trade receivables - Billed*	**2,290,867**	8,058,955
Less: Allowance for doubtful trade receivables - Billed	**(26,297)**	(26,651)
Total	**2,264,570**	8,032,304

* Trade receivables include balances with related parties, please refer to Note 15.

(Amount in AUD)

Movement in the allowance for doubtful trade receivables	As at March 31, 2022	As at March 31, 2021
At April 1,	**26,651**	73,734
Less: Provision written back	**-**	(37,863)
Add / (less):Exchange difference	**(354)**	(9,220)
At March 31,	**26,297**	26,651

c. Investments

(Amount in AUD)

Investments - Non Current	As at March 31, 2022	As at March 31, 2021
Investment in Subsidiaries	**7,227,539**	7,227,539
Total	**7,227,539**	7,227,539

At reporting date, TCS Financial Solutions Australia Pty Limited has 100 Percent equity interest in TCS Financial Solutions Beijing Co.

d. Other financial assets

(Amount in AUD)

Other financial assets - Current	As at March 31, 2022	As at March 31, 2021
Accrued interest	**208**	44
Total	**208**	44

e. Trade payables

(Amount in AUD)

	As at March 31, 2022	As at March 31, 2021
Trade payables *	**318,779**	226,966
Accrued expenses *	**204,333**	196,938
Total	**523,112**	423,904

* Trade payables and accrued expenses include balances with related parties, please refer to Note 15.

f. Other financial liabilities

(Amount in AUD)

Other financial liabilities - Non Current	As at March 31, 2022	As at March 31, 2021
Borrowings - Loan from related parties	**6,027,421**	6 ,027,421
Total	**6,027,421**	6,027,421

g. Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

(Amount in AUD)

Assets:	Amortised cost	Total carrying value
Cash and cash equivalents	**3,876,859**	**3,876,859**
Trade receivables	**2,264,570**	**2,264,570**
Unbilled receivables	**9,459,736**	**9,459,736**
Other financial assets	**208**	**208**
Total Assets	**15,601,373**	**15,601,373**
Liabilities:		
Trade payables	**523,112**	**523,112**
Other financial liabilities	**6,027,421**	**6,027,421**
Total Liabilities	**6,550,533**	**6,550,533**

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The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(Amount in AUD)

Assets:	Amortised cost	Total carrying value
Cash and cash equivalents	5,434,736	5,434,736
Trade receivables	8,032,304	8,032,304
Unbilled receivables	3,126,960	3,126,960
Other financial assets	44	44
Total Assets	16,594,044	16,594,044
Liabilities:		
Trade payables	423,904	423,904
Other financial liabilities	6,027,421	6,027,421
Total Liabilities	6,451,325	6 ,451,325

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables, trade payables and other financial liabilities as at March 31, 2022 and 2021 approximate the fair value.

h. 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.

i. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rate may have potential impact on the statement of financial statement, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than functional currency of the company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

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The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10 Percent against the functional currency of the Company.

The following table sets forth information relating to foreign currency exposure as at March 31, 2022:

	USD (equivalent AUD)	EUR (equivalent AUD)	BDT (equivalent AUD)
Net financial assets	**366,068**	**33,548**	**2,759,664**
Net financial liabilities	**299,404**	**-**	**87,184**

10 Percent depreciation / appreciation of the respective foreign currencies with respect to functional currency of Company would result in decrease / increase in the Company's profit before taxes by approximately AUD 277,269 for the year ended March 31, 2022.

The following table sets forth information relating to foreign currency exposure as at March 31, 2021:

	USD (equivalent AUD)	PHP (equivalent AUD)	BDT (equivalent AUD)
Net financial assets	213,974	16,650	703,743
Net financial liabilities	177,460	-	105,539

10 Percent appreciation / depreciation of the respective foreign currencies with respect to functional currency of Company would result in increase / decrease in the Company's profit before taxes by approximately AUD 65,137 for the year ended March 31, 2021.

- **Interest rate risk**

Interest rate risk is the risk of changes in market interest rates affecting the overall return of the Company. The Company does not hedge its interest rate exposure. The Company's exposure to interest rate risk is limited to its balance maintained with bank.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was AUD 15,682,355 and AUD 16,703,924 as of March 31, 2022 and March 31, 2021, respectively being the total of the carrying amount of balance with bank, trade receivables, unbilled receivables, contract assets and other financial assets. Balance with bank is placed with a bank with high credit ratings. As of March 31, 2022, there were no indications that any defaults will occur on trade receivables, unbilled receivables, contract assets or other financial assets.

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The Company's exposure to customers is diversified and single customer's contribution to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at March 31, 2022 and March 31, 2021 was as below :

(Amount in AUD)

Client Name	As at March 31, 2022		As at March 31, 2021	
	Total trade receivables and unbilled revenue	Percentage	Total trade receivables and unbilled revenue	Percentage
Customer A	**10,685,285**	**91%**	4,668,791	41%
Customer B	**-**	**0%**	2,575,610	23%
Customer C	**-**	**0%**	3,332,564	30%

- **Geographic concentration of credit risk**

The Company has a geographic concentration of trade receivables (net of allowances), unbilled receivables and contract assets as given below:

	As at March 31, 2022	As at March 31, 2021
Asia Pacific	**9.49%**	58.57%
India	**90.51%**	41.43%

Geographical concentration of trade receivables and unbilled receivables and contract assets is allocated based on the location of the customers.

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. The expected credit loss allowance is based on the ageing of the days the receivables are due and are as follows:

March 31, 2022	Weighted average loss rate	Gross carrying amount*	Loss allowance #	Credit impaired
Not Due	1.53%	0.53	(0.01)	No
1-90	2.23%	0.26	(0.01)	No
91-180	9.24%	0.23	(0.02)	No
181-272	43.76%	0.05	(0.02)	No
273-364	100.00%	-	-	Yes

*Gross carrying amount excludes inter-company receivables

The above table provides the loss allowance calculated as per ECL and Management is expected to make at the minimum this amount as provision of bad and doubtful debts against trade receivables. However in this case management has made higher provisions as bad and doubtful debts against trade receivables based on their prudent judgement to cover higher risk.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

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(Amount in AUD)

March 31, 2022	Due in 1st year	Due in 2nd to 5th year	Total
Non derivative financial liabilities			
Trade payables	**523,112**	**-**	**523,112**
Other financial liabilities	**6,027,421**	**-**	**6,027,421**
Total	**6,550,533**	**-**	**6,550,533**
March 31, 2021			
Non derivative financial liabilities			
Trade payables	423,904	-	423,904
Other financial liabilities	-	6,027,421	6,027,421
Total	423,904	6,027,421	6,451,325

j. Equity instruments

(Amount in AUD)

Issued, Subscribed and Fully paid up	As at March 31, 2022	As at March 31, 2021
Ordinary shares	**4**	4
Total	**4**	4

Share holding	Percentage	Percentage
TCS FNS Pty Limited	**100%**	100%

Capital management

The Company's objective for capital management is to maximize 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 product 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.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and 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 Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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.

For transition, the Company has elected not to apply the requirements of IFRS 16 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

The Company incurred AUD 12,499 and AUD 13,980 for the year ended March 31, 2022 and 2021, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is AUD 12,499 and AUD 13,980 for the year ended March 31, 2022, and 2021, respectively, including cash outflow for short-term leases and leases of low-value assets.

The Company does not have lease term extension options that are not reflected in the measurement of lease liabilities.

9. NON-FINANCIAL ASSETS AND 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 values 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	Method	Useful life (in years)
Computer and equipment	Straight Line Method	4 years
Furniture and Fixtures	Straight Line Method	5 years

Depreciation is not recorded on capital work in progress until construction and installation are complete and the asset is ready for its intended use. 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

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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.

Property, plant and equipment

Property, Plant and equipment consist of the following:

(Amount in AUD)

	Computer equipment	Furniture and fixtures	Total
Gross block as at April 1, 2021	**132,700**	**2,631**	**135,331**
Gross block as at March 31, 2022	**1 32,700**	**2,631**	**135,331**
Accumulated depreciation as at April 1, 2021	**132,700**	**2,631**	**135,331**
Accumulated depreciation as at March 31, 2022	**132,700**	**2,631**	**135,331**
Net carrying amount as at March 31, 2022	**-**	**-**	**-**
Gross block as at April 1, 2020	132,700	2,631	135,331
Gross block as at March 31, 2021	132,700	2,631	135,331
Accumulated depreciation as at April 1, 2020	132,700	2,631	135,331
Accumulated depreciation as at March 31, 2021	132,700	2,631	135,331
Net carrying amount as at March 31, 2021	-	-	-

b. 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.

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Intangible assets consist of the following:

(Amount in AUD)

	Software licences	Total
Cost as at April 1, 2021	**212,004**	**212,004**
Cost as at March 31, 2022	**212,004**	**212,004**
Accumulated amortisation as on April 1, 2021	**212,004**	**212,004**
Accumulated amortisation as on March 31, 2022	**212,004**	**212,004**
Net carrying amount as at March 31, 2022	**-**	**-**
Cost as at April 1, 2020	212,004	212,004
Cost as at March 31, 2021	212,004	212,004
Accumulated amortisation as on April 1, 2020	212,004	212,004
Accumulated amortisation as on March 31, 2021	212,004	212,004
Net carrying amount as at March 31, 2021	-	-

c. Other assets

Other assets consist of the following:

(Amount in AUD)

	As at March 31, 2022	As at March 31, 2021
Other assets - Current		
Prepaid expenses - current*	**114,863**	97,676
Contract assets - current (Refer to Note 10)	**80,982**	109,880
Contract fulfillment costs	**6 ,427**	-
Others	**31,113**	39,726
Total	**233,385**	247,282

* Prepaid expenses include balances with related parties, please refer to Note 15.

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.

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- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Transaction price attributed in case of contracts with subsidiary is arrived at on the basis of arm's length price. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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 the 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 is excess of revenue 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 is 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Revenue from operations is AUD 12,021,746 for year ended March 31, 2022 (March 31, 2021: AUD 13,915,857).

Revenue disaggregation by nature of services is as follows:

(Amount in AUD)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from sale of equipment and software licences	**9,671,234**	11,414,625
Revenue from consultancy services	**2,350,512**	2,501,232
Total	**12,021,746**	13,915,857

Revenue disaggregation by industry vertical is as follows:

(Amount in AUD)

Industry vertical	Year ended March 31, 2022	Year ended March 31, 2021
Banking, financial and insurance	**12,021,746**	13,199,731
Others	**-**	716,126
Total	**12,021,746**	13,915,857

Revenue disaggregation by geography is as follows:

(Amount in AUD)

Geography	Year ended March 31, 2022	Year ended March 31, 2021
APAC	**2,390,013**	3,262,375
India	**9,631,733**	10,653,482
Total	**12,021,746**	13,915,857

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is AUD 2,085,905 out of which AUD 1,251,217 (59.98%) is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

(Amount in AUD)

Changes in contract assets are as follows:	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**109,880**	126,289
Invoices raised that were included in the contract assets balance at the beginning of the year	**(86,337)**	(85,974)
Increase due to revenue recognised during the year, excluding amounts billed during the year	**61,484**	80,639
Translation exchange difference	**(4,045)**	(11,074)
Balance at the end of the year	**80,982**	109,880

(Amount in AUD)

Changes in unearned and deffered revenue are as follows:	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**148,123**	309,805
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**(148,123)**	(292,492)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**166,944**	150,139
Translation exchange difference	**531**	(19,329)
Balance at the end of the year	**167,475**	148,123

11. 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 doubtful trade receivables and advances, 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.

(Amount in AUD)

Expense by function	Year ended March 31, 2022	Year ended March 31, 2021
Cost of revenue	**1,949,799**	2,030,198
Selling, general and administration expenses	**415,063**	448,116
Total	**2,364,862**	2,478,314

Costs and expenses are recognized when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised into employee benefit expenses, depreciation and other operating expenses. Employee benefit expenses include salaries, incentives and allowances, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as contribution to brand equity, corporate overhead allocation, commission and brokerage, recruitment and training, entertainment, etc.

(Amount in AUD)

Other operating expenses	Year ended March 31, 2022	Year ended March 31, 2021
Project expenses	**689,909**	651,872
Fees to external consultants	**1,611,448**	1,684,418
Cost of equipment and software licenses	**-**	117,641
Facility running expenses	**13,717**	14,496
Communication	**3,600**	1 ,056
Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)	**-**	(37,863)
Other expenses	**46,188**	45,422
Total	**2,364,862**	2,477,042

12. OTHER INCOME / (EXPENSE)

(Amount in AUD)

Other non-operating income / (loss), net:	Year ended March 31, 2022	Year ended March 31, 2021
Net foreign exchange gains/(losses)	**8,048**	(716,986)
Interest income	**13,233**	2,162
Total	**21,281**	(714,824)

13. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

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

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. 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.

Deferred income taxes

The Company accounts for the deferred income taxes using the balance sheet approach. Deferred income taxes are provided for the differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

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

The income tax expense consists of the following:

(Amount in AUD)

Current tax	Year ended March 31, 2022	Year ended March 31, 2021
Current tax expense	**2,670,951**	2,083,738
Deferred tax expense	**(4,464)**	(72,531)
Total	**2,666,487**	2,011,207

The reconciliation of estimated income tax expense at the Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:-

(Amount in AUD)

Current tax expenses	Year ended March 31, 2022	Year ended March 31, 2021
Income before taxes	**9,678,165**	10,722,719
Statutory tax rate	**30.00%**	30.00%
Expected income tax expense	**2,903,449**	3,216,816
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax on income at different rates	**23,973**	20,184
Tax pertaining to prior years:		
Current tax	**28,327**	(940,047)
Deferred tax	**-**	96,337
Other permanent differences	**(289,262)**	(382,083)
Total income tax expense	**2,666,487**	2,011,207

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

(Amount in AUD)

Deferred tax assets	Opening balance	Recognised through profit or loss	Closing balance as at March 31, 2022
Deferred tax assets in relation to:			
Property, plant and equipment and intangible assets	**1,778**	**(518)**	**1,260**
Deferred Revenue	**44,435**	**5,808**	**5 0,243**
Allowances for receivables	**7,995**	**(106)**	**7,889**
Disallowed expenses	**12,551**	**8,527**	**21,078**
Unrealised exchange loss	**27,137**	**(9,184)**	**17,953**
Interest receivable	**-**	**(63)**	**(63)**
Total deferred tax asset	**93,896**	**4,464**	**98,360**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(Amount in AUD)

Deferred tax assets	Opening balance	Recognised through profit or loss	Closing balance as at March 31, 2021
Deferred tax assets in relation to:			
Property, plant and equipment and intangible assets	3,718	(1,940)	1,778
Deferred Revenue	92,941	(48,506)	44,435
Allowances for receivables	22,120	(14,125)	7,995
Disallowed expenses	43,332	(30,781)	12,551
Unrealised exchange loss	(140,745)	167,882	27,137
Total deferred tax asset	21,366	72,530	93,896

14. EMPLOYEE BENEFITS

a. Employee benefit obligations

The Company provides for amount payable to employees for compensated absences per the company's policy, which are expected to occur within twelve months after the end of the period in which the employee render the related services are recognised as undiscounted liability at the date of statement of financial position.

(Amount in AUD)

Employee cost consist of the following:	As at March 31, 2022	As at March 31, 2021
Staff welfare	-	1,272
Total	-	1,272

15. RELATED PARTY TRANSACTIONS

The Company's principal related parties consist of its ultimate holding company Tata Sons Private Limited, parent of holding company Tata Consultancy Services Limited and its subsidiaries, and its key managerial personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business.

Transactions with related parties

For the year ended March 31, 2022

(Amount in AUD)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Parent of Holding Company	With Tata Consultancy Services Philippines) Inc, Fellow Company	With FNS Beijing Co. Ltd., it's Subsidiary	With TCS FNS Pty Limited, Holding Company	Total
Revenue from sale of services and licenses	-	**9,631,733**	-	-	-	**9,631,733**
Purchases of goods and services (including reimbursement)	-	**1,368,693**	**620,624**	-	-	**1,989,317**
Brand equity contribution	**5,975**	-	-	-	-	**5,975**
Rent paid	-	**13,717**	-	-	-	**13,717**
Dividend paid	-	-	-	-	**7,500,000**	**7,500,000**

For the year ended March 31, 2021

(Amount in AUD)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Parent of Holding Company	With Tata Consultancy Services Philippines) Inc, Fellow Company	With FNS Beijing Co. Ltd., it's Subsidiary	With TCS FNS Pty Limited, Holding Company	Total
Revenue from sale of services and licenses	-	1 0,653,482	-	716,126	-	11,369,608
Purchases of goods and services (including reimburse-ment)	-	1,717,679	427,637	-	-	2,145,316
Brand equity contribution	6,339	-	-	-	-	6,339
Rent paid	-	14,496	-	-	-	14,496
Dividend paid	-	-	-	-	15,000,000	15,000,000

Balances with related parties

As at March 31, 2022

(Amount in AUD)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Parent of Holding Company	With Tata Consultancy Services Philippines) Inc, Fellow Company	With FNS Beijing Co. Ltd., it's Subsidiary	With TCS FNS Pty Limited, Holding Company	Total
Trade receiv-ables	**-**	**1,242,267**	**-**	**-**	**-**	**1,242,267**
Trade paya-bles, accrued expenses Other finan-cial liabilities and Other liabil-ities	**5,975**	**185,837**	**208,118**	**-**	**6,027,421**	**6,427,351**
Unbilled receivables	**-**	**9,459,736**	**-**	**-**	**-**	**9,459,736**
Prepaid ex-penses	**-**	**113,991**	**-**	**-**	**-**	**113,991**

As at March 31, 2021

(Amount in AUD)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Parent of Holding Company	With Tata Consultancy Services Philippines) Inc, Fellow Company	With FNS Beijing Co. Ltd., it's Subsidiary		Total
Trade receivables	-	4,685,202	-	2,575,628	-	7,260,830
Trade payables, accrued expenses Other financial liabilities and Other liabilities	6,366	234,149	87,934	-	6,027,421	6,355,870
Unbilled receivables	-	3,126,960	-	-	-	3,126,960
Prepaid expenses	-	97,676	-	-	-	97,676

16. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

17. COMPARATIVE INFORMATION

The comparative figures presented for the year ended March 31, 2021 have been reclassified where necessary to preserve consistency with the year ended March 31, 2022 figures. However, such reclassifications did not have any effect on the comprehensive income or the total equity for the year ended March 31, 2022.

TCS FINANCIAL SOLUTIONS BEIJING CO. LTD.

FOR THE YEAR ENDED

31 DECEMBER 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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INDEPENDENT AUDITOR'S REPORT

GTCSZ (2022) NO. 110C001642
THE BOARD OF DIRECTORS OF
TCS FINANCIAL SOLUTIONS BEIJING CO. LTD.:

Opinion

We have audited the financial statements of TCS Financial Solutions Beijing Co. Ltd (the"Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of income, statement of changes in equity and statement of cash flows from January 2021 to December 2021, and the notes to the financial statements. In our opinion, the accompanying financial statement present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows from January 2021 to December 2021 in accordance with Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* Section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountant (Ethics Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we fulfilled our other ethical responsibilities in accordance with these requirements and the Ethics Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charge with Governance for the Financial Statement

Management of the Company is responsible for the preparation and fair presentation of the financial statement in accordance with Accounting Standards for Business Enterprises, and for such internal control as management determines in necessary to enable the preparation of financial statements that are free form material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charge with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise form fraud or error and are considered material if, individually or in the aggregation, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Certified Public Accountants

Registered in the People's Republic of China

Grant Thornton

Beijing, China

Date March 01, 2022

Balance sheet as at 31 December 2021

(Expressed in RMB)

	Note	As at 31/12/2021	As at 31/12/2020
ASSETS			
Current assets			
Cash and cash equivalents	6.1	**20,301,246.49**	15,744,278.16
Financial assets at fair value through profit or loss		**-**	-
Notes receivable		**-**	-
Accounts receivable	6.2	**37,188,388.54**	41,714,094.78
Prepayments		**-**	-
Interest receivable		**123,872.19**	93,623.15
Dividends receivable			
Other receivables	6.3	**38,547.15**	65,670.17
Inventories		**-**	-
Non-current assets maturing within one year		**-**	-
Other current assets	6.4	**83,993.08**	76,513.33
Total current assets		**57,736,047.45**	57,694,179.59
Non-current assets			
Available-for-sale financial assets		**-**	-
Held-to-maturity investments		**-**	-
Long-term receivables		**-**	-
Long-term equity investments		**-**	-
Investment property		**-**	-
Fixed assets	6.5	**167,572.10**	266,570.22
Construction in progress		**-**	-
Productive biological assets		**-**	-
Oil and gas assets		**-**	-
Intangible assets	6.6	**4,656.04**	12,670.64
Development expenditure		**-**	-
Goodwill		**-**	-
Long-term deferred expenses		**-**	-
Other non-current assets		**-**	-
Total non-current assets		**172,228.14**	279,240.86
TOTAL ASSETS		**57,908,275.59**	57,973,420.45

(Expressed in RMB)

	Note	As at 31/12/2021	As at 31/12/2020
LIABILITIES AND OWNERS' EQUITY			
Current liabilities			
Short-term loans		**-**	-
Financial liabilities at fair value through profit or loss		**-**	-
Notes payable		**-**	-
Accounts payable		**14,108,445.98**	19,191,789.29
Advances from customers		**139,570.59**	
Salaries and employee benefits payable	6.7	**4,944,109.44**	4,554,026.77
Taxes payable	6.8	**872,292.08**	929,117.06
Other payables		**345,720.45**	415,832.17
Non-current liabilities due within one year		**-**	-
Other current liabilities		**283,095.16**	168,929.69
Total current liabilities		**20,693,233.70**	25,259,694.98
Non-current liabilities:			-
Long-term loans		**-**	
Debentures payable		**-**	-
Long-term payables		**-**	-
Long-term employee benefits payable		**-**	-
Provisions		**-**	-
Other non-current liabilities		**-**	-
Total non-current liabilities		**-**	-
Total liabilities		**20,693,233.70**	25,259,694.98
Shareholders' equity			
Share capital	6.9	**36,660,950.00**	36,660,950.00
Capital reserve			
Less: treasury shares		**-**	-
Other comprehensive income		**-**	-
Specific reserve			
Surplus reserve	6.10	**1,397,460.41**	1,397,460.41
Retained earnings	6.11	**-843,368.52**	-5,344,684.94
Total equity attributable to shareholders of the Company		**37,215,041.89**	32,713,725.47
Non-controlling interests		**-**	-
Total owners' equity		**37,215,041.89**	32,713,725.47
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**57,908,275.59**	57,973,420.45

THE NOTES ON PAGES 23.10 TO 23.20 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

Income statement for the year ended 31 December 2021

(Expressed in RMB)

	Note	Year ended 31/12/2021	Year ended 31/12/2020
I OPERATING INCOME	6.12	**57,006,059.55**	62,340,208.65
Less:operating costs	6.12	**31,501,689.56**	33,577,070.39
Taxes and surcharges	6.13	**354,062.02**	417,235.58
Selling and distribution expenses		**6,496,625.52**	7,051,825.38
General and administrative expenses		**12,459,523.50**	12,414,434.74
Financial expenses	6.14	**-928,402.84**	420,922.86
Including: Interest expenses		**-**	
Interest income		**123,689.45**	139,576.04
Net foreign exchange losses ("-" denotes gains)		**-810,152.40**	552,615.97
Impairment losses		**840,188.64**	-
Add: Other income			
Investment income ("-" for losses)		**-**	-
Including: Income from investment in associates and joint ventures ("-" for losses)		**-**	-
Gains from changes in fair value ("-" for losses)		**-**	-
Gains from assets disposal ("-" for losses)		**-**	-
II OPERATING PROFIT("-" FOR LOSSES)		**6,282,373.15**	8,458,719.70
Add: Non-operating income	6.15	**52,680.24**	135,115.31
Less: Non-operating expenses		**-**	-
III. PROFIT BEFORE INCOME TAX ("-" FOR LOSSES)		**6,335,053.39**	8,593,835.01
Less: Income tax expenses		**1,833,736.97**	-
IV NET PROFIT FOR THE YEAR ("-" FOR NET LOSSES)		**4,501,316.42**	8,593,835.01
Including: Net profit from continuing operations ("-" for net loss)		**4,501,316.42**	8,593,835.01
Net profit from discontinued operations ("-" for net loss)		**-**	-
V OTHER COMPREHENSIVE INCOME, NET OF TAX		**-**	-
VI TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,501,316.42**	8,593,835.01

THE NOTES ON PAGES 23.10 TO 23.20 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

Statement of Cash flow for the year ended December 31, 2021

(Expressed in RMB)

	Note	Year ended 31/12/2021	Year ended 31/12/2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sales of goods or rendering of services		**63,912,382.10**	62,395,412.57
Refund of taxes		**8,875.40**	-
Proceeds from other operating activities		**130,050.20**	69,984.78
Sub-total of cash inflows		**64,051,307.70**	62,465,397.35
Payment for goods and services		**5,822,053.03**	18,919,982.30
Cash paid to and on behalf of employees		**45,424,676.25**	44,638,427.08
Tax payments		**5,575,503.63**	3,807,210.74
Cash paid relating to other operating activities		**2,672,105.89**	3,167,098.30
Sub-total of cash outflows		**59,494,338.80**	70,532,718.42
Net cash inflow from operating activities		**4,556,968.90**	-8,067,321.07
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from disposal of investments		**-**	-
Cash received from return on investments		**-**	-
Cash received from disposal of fixed assets, intangible assets and other long-term assets		**-**	-
Cash receipts relating to other investing activities		**-**	-
Sub-total of cash inflows		**-**	-
Cash paid to acquire fixed assets, intangible assets and other long-term assets		**-**	
Cash paid to acquire investment		**-**	-
Payment for other investing activities		**-**	-
Sub-total of cash outflows		**-**	
Net cash flows from investing activities		**-**	
CASH FLOWS FROM FINANCING ACTIVITIES		**-**	
Cash received from capital contributions		**-**	
Cash received from borrowings		**-**	
Cash receipts relating to other financing activities		**-**	
Sub-total of cash inflows		**-**	
Repayments of borrowings		**-**	
Dividends paid, profit distribution and interest paid		**-**	
Cash payments relating to other financing activities		**-**	
Sub-total of cash outflows		**-**	
Net cash outflow from financing activities		**-**	
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**-0.57**	-552,615.97
NET INCREASE IN CASH AND CASH EQUIVALENTS		**4,556,968.33**	-8,619,937.04
Add: Cash and cash equivalents at the beginning of the period		**15,744,278.16**	24,364,215.20
Cash and cash equivalents at the end of the period		**20,301,246.49**	15,744,278.16

THE NOTES ON PAGES 23.10 TO 23.20 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

Company's Statement of Changes in Shareholders' Equity

(Expressed in RMB)

	Year ended 31/12/2021							
	Share capital	Capital reserves	Less: Treasury Share	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total
1. BALANCE AS AT THE END OF LAST YEAR	36,660,950.00					1,397,460.41	-5,344,684.94	32,713,725.47
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
2. BALANCE AT THE BEGINNING OF THE YEAR	36,660,950.00	-	-	-	-	1,397,460.41	-5,344,684.94	32,713,725.47
3.CHANGES IN EQUITY DURING THE YEAR ("- "FOR DECREASE)	-		-	-	-	-	4,501,316.42	4,501,316.42
3.1 Net profit for the period	-	-	-	-	-	-	4,501,316.42	4,501,316.42
3.2 Other comprehensive income	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-
3.3 Share capital by or returned to investors	-	-	-	-	-	-	-	-
a. Share capital injected by investors	-	-	-	-	-	-	-	-
b. Issurance of share pursuant to the exercise of share options	-	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-	-
3.4 Specific Reserve	-	-	-	-	-	-	-	-
a. Appropriation during the year				-	-	-	-	-
b. Utilisation during the year	-	-	-	-	-	-	-	-
3.5 Appropriation of profits	-	-	-	-	-	-	-	-
a. Transfer to surplus reserves	-	-	-	-	-	-	-	-
Including: Statutory surplus	-	-	-	-	-	-	-	-
Discretionary surplus reserve	-	-	-	-	-	-	-	-
General reserve fund	-	-	-	-	-	-	-	-
Enterprise expansion fund	-	-	-	-	-	-	-	-
b. General risk allowance	-	-	-	-	-	-	-	-
c. Distributions to shareholders	-	-	-	-	-	-	-	-
d. Others	-	-	-	-	-	-	-	-
3.6Transfer within equity	-	-	-	-	-	-	-	-
a. Capital reserves converting into share capital	-	-	-	-	-	-	-	-
b. Surplus reserves converting into share capital	-	-	-	-	-	-	-	-
c. Surplus reserves cover the deficit	-	-	-	-	-	-	-	--
d. Others	-	-	-	-	-	-	-	-
4. BALANCE AT THE END OF THE YEAR	36,660,950.00	-	-	-	-	1,397,460.41	-843,368.52	37,215,041.89

THE NOTES ON PAGES 23.10 TO 23.20 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

Company's Statement of Changes in Shareholders' Equity

(Expressed in RMB)

	Year ended 31/12/2020							
	Share capital	Capital reserves	Less: Treasury Share	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total
1. BALANCE AS AT THE END OF LAST YEAR	36,660,950.00					1,397,460.41	-13,938,519.95	24,119,890.46
Add: Changes in accounting policies	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
2. BALANCE AT THE BEGINNING OF THE YEAR	36,660,950.00	-	-	-	-	1,397,460.41	-13,938,519.95	24,119,890.46
3. CHANGES IN EQUITY DURING THE YEAR ("- "FOR DECREASE)	-	-	-	-	-	-	8,593,835.01	8,593,835.01
3.1 Net profit for the period	-	-	-	-	-	-	8,593,835.01	8,593,835.01
3.2 Other comprehensive income	-	-	-	-		-	-	-
Total other comprehensive income	-		-	-	-	-	-	-
3.3 Share capital by or returned to investors	-	-	-	-	-	-	-	-
a. Share capital injected by investors	-	-	-	-	-	-	-	-
b. Issurance of share pursuant to the exercise of share options	-	-	-	-	-	-	-	-
c. Others	-	-	-	-	-	-	-	-
3.4 Specific Reserve	-	-	-	-	-	-	-	-
a. Appropriation during the year	-	-	-	-	-	-	-	-
b. Utilisation during the year	-	-	-	-	-	-	-	-
3.5 Appropriation of profits	-	-	-	-	-	-	-	-
a. Transfer to surplus reservesreserves transfer	-	-	-	-	-	-	-	-
Including: Statutory surplus	-	-	-	-	-	-	-	-
Discretionary surplus reserve	-	-	-	-	-	-	-	-
General reserve fund	-	-	-	-	-	-	-	-
Enterprise expansion fund	-	-	-	-	-	-	-	-
b. General risk allowance	-	-	-	-	-	-	-	-
c. Distributions to shareholders	-	-	-	-	-	-	-	-
d. Others	-	-	-	-	-	-	-	-
3.6Transfer within equit	-	-	-	-	-	-	-	-
a. Capital reserves converting into share capital	-	-	-	-	-	-	-	-
b. Surplus reserves converting into share capital	-	-	-	-	-	-	-	-
c. Surplus reserves cover the deficit	-	-	-	-	-	-	-	-
d. Others	-	-	-	-	-	-	-	-
4. BALANCE AT THE END OF THE YEAR	36,660,950.00	-	-	-	-	1,397,460.41	-5,344,684.94	32,713,725.47

THE NOTES ON PAGES 23.10 TO 23.20 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

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Notes forming part of the Financial Statements

I. COMPANY'S PROFILE

TCS Financial Solutions Beijing Co. Ltd ("the Company") is a wholly owned foreign enterprise incorporated in Beijing on Dec 29, 2006 and approved by People's Government of Beijing. The registered capital of the company is USD 250,000.00 and obtained the business certificate No.110000410305201. The registered capital of the Company was increased to USD 5,250,000.00 on Jan 8 2016 and has been verified by Beijing Zhongpingjian Accounting Firm with verification report No. (2007) Zhongpingjian yanzi. The relevant business certificate was amended to No. 9111010579670220XQ. The investors are as follows::

Investor	Investment%
TCS Financial Solutions Australia Pty Ltd	100%

The Company's business scope: research and development of computer hardware and software; computer system integration; technical consultation; technical services; Selling self-developed products. (For projects subject to approval according to law, business activities shall be carried out according to the approved contents after approval by relevant departments.)

II. BASIS OF PREPARATION

The company implemented the Enterprise Accounting System and its supplementary provisions. The presentation shall be made in accordance with the statement format stipulated in the Notice on Printing and Distributing 2013 Annual Financial and Accounting Statements of Foreign-invested Enterprises (No. Caiqi[2013]323).

The financial statements of the Company have been prepared on going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(1) Accounting System

The company implemented the Enterprise Accounting System and its supplementary provisions.

(2) Accounting Period

The accounting period of the Company is from 1 January to 31 December.

(3) Functional currency

The Company use Renminbi ("RMB") as their functional currency.

(4) Accounting basis and valuation principles

The company adopts the accrual basis and the principle of valuation is based on actual cost.

(5) Foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Company at the spot exchange rates published by People's Bank of China on the dates of the transactions. At the end of the period, adjustments shall be made according to the spot exchange rates, and the difference arising from the purchase and construction of fixed assets shall be included in the purchase and construction cost of the relevant fixed assets before they reach the intended use ; The long-term deferred expenses incurred during the preparation period that have nothing to do with the purchase and construction of fixed assets belong to the period of production and operation into the financial expenses.

(6) Cash and cash equivalents

Cash equivalents include short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

(7) Bad debts

Bad debt is accounted for using the allowance method. The provision for bad and doubtful debts is estimated by management based on individual accounts receivable which show signs of uncollectability and aging analysis Provison for other receivables is determined based on their specific nature and management's estimate of their collectability.

For related party balance, it is based on specific identification method. For non-related party balance, provison of bad debt should be determined by aging Specific percentage is as follows:

Aging	Percentage%
Within 273 days	0.00
274days to 2 years	100.00
2 to 3 years	100.00
Over 3 year	100.00

The standard that the company confirmed bad debt is:

(i) If the debtor is declared bankrupt or revoked according to law, it shall obtain relevant materials such as the bankruptcy declaration, the cancellation of industrial and commercial registration or the revocation of license, or the documents ordered to close down by the government departments, and after deducting the part of the debtor's liquidated property for repayment, the receivables that cannot be recovered shall be regarded as bad debt losses;

(ii) If the debtor dies or is declared missing or dead according to law, and his property or estate is insufficient to pay off the debts and there is no heir, the receivables shall be deemed as bad debt losses after obtaining the relevant legal documents;

(iii) The receivables related to the lawsuit, where the judgment or order of the effective judgment or order of the people's court is lost, or where the execution is terminated due to the fact that the judgment or order cannot be executed due to the victory of the lawsuit, shall be regarded as the bad debt loss;

(8) Fixed assets and Depreciation

Fixed assets of the company refer to the houses, buildings, machinery and equipment, transportation equipment and other equipment held for the production of goods, provision of labor services, rental or management with a useful life of more than 1 year and a high unit value. Fixed assets are recorded at the cost of acquisition.

The cost of a fixed asset is depreciated using the straight-line method. Not considering impairment provision, the estimated useful lives, residual value rates (The expected residual value rate is 0%) and depreciation rates of each class of fixed assets are as follows:

Class	Estimated useful life (years)	Depreciation rate %
Office Equipment	5-10 years	10-20
Computer and network communication equipment	4years	25
Office furniture	5 years	20%

At the end of the period, the Company shall inspect the fixed assets item by item. If the recoverable amount is lower than the book value due to the continuous decline of market price, obsolete technology, damage, long-term idleage and other reasons, the company shall make provision for impairment of fixed assets. When making provision for impairment of fixed assets, the difference between the recoverable amount of a single fixed asset and its carrying value shall be recognized.

(9) Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalised borrowing costs and any other costs directly attributable to bringing the asset to working condition for its intended use. Construction in progress is transferred to fixed asset when it is ready for its intended use.

(10) Intangible assets

Intangible assets are stated at actual cost upon acquisition. The company used straight line method during ttheir useful life. Amortisation method for intangible assets with finite useful lives is as follows:

Categories	Useful life (years)
Software	5 years

At the end of the period The company should inspected of intangible assets item by item, when following cirnces existed , the impairment of intangible assets should be made

(i) An intangible assets has been replaced by other new technology, make its ability to create economic benefits for the enterprise a serious adverse effect;

(ii) The market price of a certain intangible asset drops significantly in the current period and is not expected to recover within the remaining amortization year;

(iii) Some intangible assets have exceeded the legal protection period, but still have part of ability use value;

(iv) Other circumstances that are sufficient to prove that a certain intangible asset has actually experienced impairment of value.

When making provision for impairment of an intangible asset, it shall be recognized as the difference between the recoverable amount of an individual intangible asset and its carrying value.

At the end of the period, if the company expects that an intangible asset can no longer bring future economic benefits to the enterprise, it shall transfer all the book value of the intangible asset into the current management expense.

(11) Long-term deferred expenses

The expense of lesasing or improving fixed assets and other long-term deferred expenses are recorded at the actual cost, and amortized using a straight-line method within the benefit period, the benefit period is 5 years.

(12) Revenue

(i) Rendering of services

Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue is recognised by the percentage of the cost happed over estimated total cost. If the result of the transaction of providing labor services cannot be estimated reliably, the labor income provided shall be recognized according to the amount of labor cost that has occurred and is expected to be compensated, and the labor cost that has occurred shall be taken as the current expense. If the labor costs that have occurred are not expected to be compensated, the income shall not be recognized.

(ii) Revenues from software licenses

Revenues from software licenses is based on the nature of the relevant agreement, usually after the completion of the various stages of software installation.Revenue is recognized when it is probable that the economic benefits will flow to the Company, and the revenue and the cost can be measured reliably.

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(13) Leases

In an operating lease, rental expenses are recognized as expenses by the straight-line method during each period of the lease term.

(14) Income Tax

The company uses tax payable method for income taxes.

IV. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND CORRECTION OF ERRORS IN PRIOR PERIODS

(1) Changes in accounting policies and estimates

During the reporting period, the Company has no changes in accounting policies and accounting estimates.

(2) Correction of major accounting errors

During the reporting period, the company does not have any correction of major accounting errors.

V. TAXATION

Main types of taxes and corresponding tax rates.

Tax type	Tax basis	Tax rate%
VAT	Taxable income	6,13
Urban maintenance and construction tax	Turnover tax payable	7
Education surcharge	Turnover tax payable	3
Local education surcharge	Turnover tax payable	2
Corporate income tax	Taxable profits	25

VI. . NOTES TO THE FINANCIAL STATEMENTS

1. Cash and cash equivalents

(Expressed in RMB)

	As at 2021/12/31	As at 2020/12/31
Bank deposits	**20,301,246.49**	15,744,278.16

Including Foreign currency:

(Expressed in Renminbi Yuan)

Currency	As at 2021/12/31			As at 2020/12/31		
	Original currency	Exchange rate	RMB	Original currency	Exchange rate	RMB
USD	**3.37**	**6.3757**	**21.48**	3.37	6.5403	22.05

2. Accounts Receivables

Aging analysis and percentage

(Expressed in RMB)

Aging	As at 2021/12/31			
	Amount	Percentage %	Bad debt Provision	Net Book Value
Within 1 year	**26,899,312.07**	**70.73**	**339,622.64**	**26,559,689.43**
1 to 2 years	**8,292,964.03**	**21.81**	**500,566.00**	**7,792,398.03**
More than 2 years	**2,836,301.08**	**7.46**	**-**	**2,836,301.08**
Total	**38,028,577.18**	**100.00**	**840,188.64**	**37,188,388.54**
	As at 2020/12/31			
	Amount	Percentage %	Bad debt Provision	Net Book Value
Within 1 year	30,875,883.52	74.02	-	30,875,883.52
1 to 2 years	2,601,314.72	6.24	-	2,601,314.72
More than 2 years	8,236,896.54	19.74	-	8,236,896.54
Total	41,714,094.78	100.00	-	41,714,094.78

3. Other receivables

Aging analysis and percentage

(Expressed in RMB)

Aging	As at 2021/12/31			
	Amount	Percentage %	Bad debt Provision	Net Book Value
Within 1 year	**38,547.15**	**100.00**	**-**	**38,547.15**
	As at 2020/12/31			
Within 1 year	65,670.17	100.00	-	65,670.17

4. Other current assets

(Expressed in RMB)

	As at 2021/12/31	As at 2020/12/31
Office rental	**10,490,16**	10,734.27
Life Insurance	**41,002.92**	-
Internet access fees	**32,500.00**	-
Insurance	**-**	65,779.06
Total	**83,993.08**	76,513.33

5. Fixed assets and Depreciation

(i) Recognition of fixed assets

(Expressed in RMB)

	As at 2021/01/01	Increase during the period	Decrease during the period	As at 2021/12/31
Computer and network communication equipment	**1,936,791.87**	**-**	**-**	**1,936,791.87**
Office Equipment	**724,493.88**	**-**	**-**	**724,493.88**
Office Furniture	**482,297.65**	**-**	**-**	**482,297.65**
Total	**3,143,583.40**	**-**	**-**	**3,143,583.40**

(ii) Accumulated Depreciation

(Expressed in RMB)

	As at 2020/01/01	Increase during the period	Decrease during the period	As at 2021/12/31
Computer and network communication equipment	**1,709,769.18**	**88,044.11**	**-**	**1,797,813.29**
Office Equipment	**719,719.60**	**4,325.40**	**-**	**724,045.00**
Office Furniture	**447,524.40**	**6,628.61**	**-**	**454,153.01**
Total	**2,877,013.18**	**98,998.12**	**-**	**2,976,011.30**

(iii) Net book values

(Expressed in RMB)

	As at 2021/01/01	As at 2021/12/31
Computer and network communication equipment	**227,022.69**	**138,978.58**
Office Equipment	**4,774.28**	**448.88**
Office Furniture	**34,773.25**	**28,144.64**
Total	**266,570.22**	**167,572.10**

6. Intangible Assets

(Expressed in RMB))

Item	Cost	2021/01/01	Increase	Transfer out	Amortization	2021/12/31
Software	**61,406.33**	**12,670.64**	**-**	**-**	**8,014.60**	**4,656.04**

7. Salaries and employee benefits payable

(Expressed in RMB)

Item	As at 2021/12/31	As at 2020/12/31
Salary Payable	**4,944,109.44**	4,554,026.77

8. Taxes payable

(Expressed in RMB)

	As at 2021/12/31	As at 2020/12/31
VAT	**48,090.90**	829,569.15
Urban maintenance and construction tax and education surcharge	**5,770.70**	99,547.91
corporate income tax	**818,430.48**	-
Total	**872,292.08**	929,117.06

9. Share capital

(Expressed in RMB)

Investor	2021/01/01	Increase	Decrease	2021/12/31
TCS Financial Solutions Australia Pty. Ltd.	**36,660,950.00**	**-**	**-**	**36,660,950.00**

10. Surplus reserve

(Expressed in RMB)

Item	2021/01/01	Increase	Decrease	2021/12/31
Statutory surplus	**1,397,460.41**	**-**	**-**	**1,397,460.41**

11. Retained earnings

(Expressed in Renminbi Yuan)

2021/01/01	Increase during the Period	Decrease during the Period	2021/12/31
-5,344,684.94	**4,501,316.42**	**-**	**-843,368.52**

12. Operation income and cost

(Expressed in Renminbi Yuan)

Item	2021		2020	
	Revenue	Cost	Revenue	Cost
Service	**57,006,059.55**	**31,501,689.56**	57,915,429.89	30,037,247.38
License			4,424,778.76	3,539,823.01
Total	**57,006,059.55**	**31,501,689.56**	62,340,208.65	33,577,070.39

13. Taxes and Surcharges

(Expressed in RMB)

Item	2021	2020
Urban maintenance and construction tax and education surcharge	**354,062.02**	417,235.58

14. Financial expenses

(Expressed in RMB)

Item	Year 2021	Year 2020
Interest expense	**-**	-
Less: interest income	**123,689.45**	139,576.04
exchange loss	**-**	552,615.97
Less: exchange gain	**810,152.40**	-
Bank service charge	**5,439.01**	7,882.93
Total	**-928,402.84**	420,922.86

15. Non-operating income

(Expressed in RMB)

Item	2021	2020
VAT additional deduction	**44,307.22**	56,573.09
VAT and individual income tax refund	**8,373.02**	75,145.99
Other	**-**	3,396.23
Total	**52,680.24**	135,115.31

VII. SUPPLEMENTARY INFORMATION ON CASH FLOW STATEMENT

(1) Supplement to cash flow statement:

(Expressed in RMB)

Item	Year 2021	Year 2020
1. Reconciliation of net profit/loss to cash flows from operating activities:		
Net profit/loss	**4,501,316.42**	8,593,835.01
Less: Investment loss not recognized	**-**	-
Add: Impairment of assets	**840,188.64**	-
Depreciation of fixed assets	**98,998.12**	100,349.24
Amortization of intangible assets	**8,014.60**	8,031.21
Financial expenses ("-" for income)	**-810,152.40**	552,615.97
Losses arising from investment("-" for gains)	**-**	-
Decrease in gross inventories ("-" for increase)	**-**	-
Decrease in operating receivables ("-" for increase)	**3,705,160.84**	-3,818,123.92
Increase in operating payables ("-" for decrease)	**-3,786,557.32**	-13,504,028.58
Others	**-**	-
Net cash flows from operating activities	**4,556,968.90**	-8,067,321.07
2. Investing and financing activities not requiring the use of cash:		
Conversion of debt into capital	**-**	-
Convertible bonds due within one year	**-**	-
Acquisition of fixed assets under finance leases	**-**	-
3. Change in cash and cash equivalents:		
Cash as at 31/12/2021	**20,301,246.49**	15,744,278.16
Less: cash as at 31/12/2020	**15,744,278.16**	24,364,215.20
Add: cash equivalents as at 31/12/2021	**-**	-
Less: cash equivalents as at 31/12/2020	**-**	-
Net increase/decrease in cash and cash equivalents	**4,556,968.33**	-8,619,937.04

(2) Details of cash and cash equivalents

(Expressed in RMB)

	Year 2021	Year 2020
1. Cash		
Including: Cash on hand	**-**	-
Bank deposits available on demand	**20,301,246.49**	15,744,278.16
Other monetary funds available on demand	**-**	-
2. Cash equivalents	**-**	-
3. Cash and cash equivalents as at the end of the period	**20,301,246.49**	15,744,278.16

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VIII. RELATED PARTIES RELATIONSHIP AND TRANSACTION

1. Parent Company

Name	Registration place	Nature of business	Shareholding ratio	Voting proportion
TCS Financial Solutions Australia Pty Ltd	Australia	Develop and sell professional banking application software	100.00	100.00

2. Information of other related parties

Name	Related party relationship
Tata Consultancy Services (China) Co., Ltd	Controlled by the same ultimate holding company
Tata Consultancy Services Ltd	Controlled by the same ultimate holding company
Tata Sons Private Limited	Ultimate holding party
TITAN COMPANY LIMITED	Controlled by the same ultimate holding company

3. Related party transaction

(1) Related Purchase and sales

(a) Purchase goods

(Expressed in RMB)

Related Party	Year 2021	Year 2020
TITAN COMPANY LIMITED	-	19,851.99

(b) Providing labor

(Expressed in RMB)

Related Party	Year 2021	Year 2020
Tata Consultancy Services (China) Co., Ltd	35,445.00	-

(c) licence cost

(Expressed in RMB)

Related Party	Year 2021	Year 2020
TCS Financial Solutions Australia Pty Ltd	-	3,539,823.01

(d) Rent

(Expressed in RMB)

Related Party	Year 2021	Year 2020
Tata Consultancy Services (China) Co., Ltd	1,102,287.58	1,118,398.77

(e) Brand equity

(Expressed in RMB)

Related Party	Year 2021	Year 2020
Tata Sons Private Limited	151,462.43	146,581.50

4. Payables and receivables from related party

(1) Due from Related parties

(Expressed in RMB)

Related Party	As at 2021/12/31	As at 2020/12/31
Tata Consultancy Services Limited	**-**	984,387.96

(2) Due to Related parties

(Expressed in RMB)

Related Party	As at 2021/12/31	As at 2020/12/31
TCS Financial Solutions Australia Pty Ltd	**11,904,475.52**	16,459,862.07
Tata Sons Private Limited	**104,978.79**	115,309.25
TITAN COMPANY LIMITED	**18,261.22**	19,851.99
Total	**12,027,715.53**	16,595,023.31

IX. CONTINGENCIES

As at December 31, 2021, the Company has no pending lawsuits, external guarantees or other contingencies that should be disclosed..

X. COMMITMENT

Operating lease commitment

As of the balance sheet date, the company's irrevocable operating lease contracts with other parties are as follows::

(RMB)

The minimum lease payment for an irrevocable operating lease	As at 2021/12/31	As at 2020/12/31
First year after the balance sheet date	**11,400.00**	11,400.00

XI. EVENTS AFTER THE BALANCE SHEET DATE

As at March 1, 2022, the Company has no events after the balance sheet date to be disclosed..

TCS Financial Solutions Beijing Co. Ltd

March 1 , 2022

TATA CONSULTANCY SERVICES MALAYSIA SDN. BHD.

(Registration No. 200301022873 (625293-W))

(Incorporated in Malaysia)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2022

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2022.

Principal activities

The Company is principally engaged in the provision of end-to-end information technology consulting and software services. There has been no significant change in the nature of these activities during the financial year.

Ultimate holding company

The Directors regard Tata Sons Limited, a company incorporated in India, as the ultimate holding company, during the financial year and until the date of this report.

Results

	RM
Profit for the year	510,543

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividends

Since the end of the previous financial year, the Company declared an interim single tier ordinary dividend of RM 6.30 per ordinary share totaling RM12,600,000 in respect of the financial year ended 31 March 2022 on 7 March 2022, which was paid on 8 March 2022.

Directors of the company

Directors who served during the financial year until the date of this report are:

Abdullah Bin Abd Hamid
Girish Payangatiri Ramachandran
Manoj Ranjitsinh Rajput
Rajeev Das

Directors' interests in shares

The interests and deemed interests in the ordinary shares of the Company and of its related corporations of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of INR1 each			
	At 1.4.2021	Bought	Sold	At 31.3.2022
Penultimate holding company				
Tata Consultancy Services Limited				
Direct interests:				
Girish Payangatiri Ramachandran	11,000	-	-	**11,000**
Manoj Ranjitsinh Rajput	8,500	-	-	**8,500**
Rajeev Das	1,800	-	-	**1,800**

The other Director holding office at 31 March 2022 did not have any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.
There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

During the financial year, no indemnity was given to or insurance was effected for Directors, Officers and auditors of the Company.

Other Statutory Information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realized in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 March 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.
The auditors' remuneration is disclosed in Note 11 to the financial statements.
Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....

Girish Payangatiri Ramachandran
Director
Kuala Lumpur
Date: 11 May 2022

....

Manoj Ranjitsinh Rajput
Director
Kuala Lumpur
Date: 11 May 2022

Statement of Financial Position as at 31 March 2022

(Amount in RM)

	Note	2022	2021
ASSETS			
Plant and equipments	3	**4,856,321**	2,811,901
Other investments	4	**3,679**	3,679
Deferred tax assets	5	**408,696**	210,669
Other receivables	6	**328,012**	315,315
Total non-current assets		**5,596,708**	3,341,564
Current tax assets		**4,683,436**	2,544,207
Trade and other receivables	6	**76,347,657**	68,075,873
Cash and cash equivalents	7	**20,279,039**	23,091,822
Total current assets		**101,310,132**	93,711,902
TOTAL ASSETS		**106,906,840**	97,053,466
EQUITY			
Share capital	8	**2,000,000**	2,000,000
Retained earnings		**38,426,508**	50,515,965
Total equity attributable to the owner of the Company		**40,426,508**	52,515,965
LIABILITIES			
Trade and other payables	9	**66,480,332**	44,537,501
Total current liabilities		**66,480,332**	44,537,501
Total liabilities		**66,480,332**	44,537,501
TOTAL EQUITY AND LIABILITIES		**106,906,840**	97,053,466

The notes on pages 24.8 to 24.18 are an integral part of these financial statements.

Statement of comprehensive income for the year ended 31 March 2022

(Amount in RM)

	Note	2022	2021
Revenue	10	**237,585,840**	247,370,360
Cost of services		**(201,519,542)**	(198,209,776)
GROSS PROFIT		**36,066,298**	49,160,584
Other income		**1,473,980**	711,727
Administrative expenses		**(30,620,914)**	(24,192,624)
Other expenses		**(4,481,886)**	(5,680,319)
RESULTS FROM OPERATING ACTIVITIES		**2,437,478**	19,999,368
Finance income		**23,984**	86,556
PROFIT BEFORE TAX	11	**2,461,462**	20,085,924
Tax expense	12	**(1,950,919)**	(5,022,591)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**510,543**	15,063,333

The notes on pages 24.8 to 24.18 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 March 2022

(Amount in RM)

		Non-distributable Share capital	Distributable Retained Earnings	Total equity
At 1 April 2020		2,000,000	47,452,632	49,452,632
Profit and total comprehensive income for the year		-	15,063,333	15,063,333
Dividend to owner of the Company	13	-	(12,000,000)	(12,000,000)
At 31 March 2021/1 April 2021		**2,000,000**	**50,515,965**	**52,515,965**
Profit and total comprehensive income for the year		**-**	**510,543**	**510,543**
Dividend to owner of the Company	13	**-**	**(12,600,000)**	**(12,600,000)**
At 31 March 2022		**2,000,000**	**38,426,508**	**40,426,508**
		Note 8		

The notes on pages 24.8 to 24.18 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 March 2022

(Amount in RM)

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**2,461,462**	20,085,924
Adjustments for:			
Depreciation of plant and equipment	3	**1,500,522**	1,147,317
Dividend income	11	**(63,039)**	(68,318)
Finance income	11	**(23,984)**	(86,556)
Plant and equipment written-off		**449**	2,508
Unrealised foreign exchange (gain) / loss	11	**(115,495)**	72,067
Operating profit before changes in working capital		**3,759,915**	21,152,942
Change in trade and other receivables		**(8,379,929)**	23,876,211
Change in trade and other payables		**22,045,189**	(21,364,625)
Cash generated from operations		**17,425,175**	23,664,528
Tax refunded		**-**	2,823,759
Tax paid		**(4,288,175)**	(4,034,360)
Net cash from operating activities		**13,137,000**	22,453,927
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment	3	**(3,545,391)**	(348,224)
Dividends received from investments in unquoted shares		**63,039**	68,318
Interest received		**23,984**	86,556
Net cash used in investing activities		**(3,458,368)**	(193,350)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend to owner of the Company	13	**(12,600,000)**	(12,000,000)
Net cash used in financing activities		**(12,600,000)**	(12,000,000)
Net (decrease) / increase in cash and cash equivalents		**(2,921,368)**	10,260,577
Effect of exchange rate fluctuations on cash held		**108,585**	(108,314)
Cash and cash equivalents at 1 April 2021/2020		**23,091,822**	12,939,559
Cash and cash equivalents 31 March 2022	7	**20,279,039**	23,091,822

The notes on pages 24.8 to 24.18 are an integral part of these financial statements.

Notes forming part of the financial statements

TATA Consultancy Services Malaysia Sdn. Bhd. is a private limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Level 22A, Axiata Tower
No.9, Jalan Stesen Sentral 5
50470, Kuala Lumpur Sentral
Kuala Lumpur, Malaysia

Registered office

12th Floor, Menara Symphony, No.5,
Jalan Prof. Khoo Kay Kim,
Seksyen 13
46200 Petaling Jaya
Selangor, Malaysia

The Company is principally engaged in the provision of end-to-end information technology consulting and software services.

The immediate holding company during the financial year was Tata Consultancy Services Asia Pacific Pte. Ltd., a company incorporated in Singapore. The penultimate and ultimate holding companies during the financial year were Tata Consultancy Services Limited and Tata Sons Limited. Both companies were incorporated in India.

These financial statements were authorised for issue by the Board of Directors on 11 May 2022.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Companies Act 2016 in Malaysia.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MPERS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date.

All foreign currency differences are recognised in profit or loss.

(b) Financial instruments

(i) Initial recognition and measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is subsequently measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction for the Company (for a financial liability) or the counterparty (for a financial asset) to the arrangement. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument as determined at initial recognition.

(ii) Subsequent measurement

Debt instruments that meet the following conditions are measured at amortised cost using the effective interest method:

(a) returns to the holder are determinable, e.g. a fixed amount and/or variable rate of return benchmark against a quoted or observable interest rate;

(b) there is no contractual provision that could result in the holder losing the principal amount or any interest attributable to the current period or prior periods; and

(c) prepayment option, if any, is not contingent on future events.

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing transaction.

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment. An impairment loss is measured as follows:

- For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.
- For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

All other financial assets or financial liabilities not measured at amortised cost or cost less impairment are measured at fair value with changes recognised in profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The cost of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives are as follows:

• Computers	4 years
• Furniture and fittings	5-10 years
• Leasehold improvements	Lease period
• Office equipment	5 years

If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits, the Company would review its present depreciation method and, if current expectations differ, the Company would amend the residual value, depreciation method or useful life to reflect the new pattern.

(d) Leased assets

Operating leases

Leases, where the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(e) Amount due from/to contract customers

Amount due from contract customers represents the gross unbilled amount expected to be collected from customers

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for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as amount due to contract customers which is part of trade and other payables in the statement of financial position.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

(g) Impairment of non-financial assets

The carrying amounts of non-financial assets (i.e. plant and equipment) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(h) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Ordinary shares

Ordinary shares are classified as equity.

(i) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has 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.

(ii) State plans

The Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(j) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(k) Revenue and other income

(i) Goods sold and services

The Company earns revenue from services rendered in relation to information technology and consultancy services. Revenue is recognised only when evidence of an arrangement is obtained and the other criteria to support revenue recognition are met, including the price is fixed or determinable, services have been rendered and collectability of the resulting receivables is reasonably assured. Revenue is reported net of discounts and goods and services tax.

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

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

Revenue from software development contracts, which are generally time bound fixed price contracts, is recognised over the life of the contract using the percentage-of-completion method, with contract costs determining the degree of completion. Losses of such contracts are recognised when probable.

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

Revenue from sale of internally developed software systems is recognised upon delivery, which is when the absolute right to use passes to the customer and the Company does not have material remaining service obligations.

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

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(l) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if, and only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they plan to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

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A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. PLANT AND EQUIPMENT

(Amount in RM)

	Computers	Furniture and fittings	Leasehold improvements	Office equipment	Construction-in-progress	Total
Cost						
At 1 April 2021	5,591,599	694,446	1,913,778	509,396	230,079	8,939,298
Additions	2,733,365	39,000	417,000	63,583	292,443	3,545,391
Transfer	230,079	-	-	-	(230,079)	-
Written-off	(67,179)	-	-	-	-	(67,179)
At 31 March 2022	8,487,864	733,446	2,330,778	572,979	292,443	12,417,510
Depreciation						
At 1 April 2021	4,293,515	661,889	898,376	273,617	-	6,127,397
Depreciation for the year	980,124	13,721	420,260	86,417	-	1,500,522
Written-off	(66,730)	-	-		-	(66,730)
At 31 March 2022	5,206,909	675,610	1,318,636	360,034	-	7,561,189
Carrying amounts						
At 1 April 2021	1,298,084	32,557	1,015,402	235,779	230,079	2,811,901
At 31 March 2022	3,280,955	57,836	1,012,142	212,945	292,443	4,856,321

4. OTHER INVESTMENTS

(Amount in RM)

	2022	2021
At cost		
Unquoted shares	3,679	3,679

5. DEFERRED TAX ASSETS

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities attributable to the following:

(Amount in RM)

	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
Plant and equipment	-	-	(566,764)	(299,452)	(566,764)	(299,452)
Other items	975,460	510,121	-	-	975,460	510,121
	975,460	510,121	(566,764)	(299,452)	408,696	210,669

Movements in temporary differences during the year:

(Amount in RM)

	At 1 April 2021	Recognised in profit or loss (Note 12)	At 31 March 2022
Plant and equipment	(299,452)	**(267,312)**	**(566,764)**
Other items	510,121	**465,339**	**975,460**
	210,669	**198,027**	**408,696**

6. TRADE AND OTHER RECEIVABLES

(Amount in RM)

	Note	2022	2021
Non-current			
Non-trade			
Refundable deposits		**328,012**	315,315
Current			
Trade			
Trade receivables		**34,840,023**	32,948,276
Amounts due from:			
- immediate holding company	6.1	**433,826**	100,274
- penultimate holding company	6.1	**4,628,598**	847,836
- related companies	6.1	**4,806,788**	2,397,984
Amount due from contract customers		**26,148,087**	27,198,558
		70,857,322	63,492,928
Non-trade			
Other receivables		**826,993**	391,426
Refundable deposits		**-**	35,976
Prepayments:			
- third parties		**3,316,277**	3,387,562
- immediate holding company	6.2	**-**	55,065
- penultimate holding company	6.2	**1,347,065**	712,916
		5,490,335	4,582,945
		76,347,657	68,075,873

6.1 The trade balances due from immediate holding company, penultimate holding company and related companies are unsecured and subject to normal trade credit terms of 30 days (2021: 30 days).

6.2 The non-trade prepayments from immediate holding company and penultimate holding company is unsecured and interest free.

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7. CASH AND CASH EQUIVALENTS

(Amount in RM)

	2022	2021
Cash and bank balances	**20,279,039**	23,091,822

8. SHARE CAPITAL

(Amount in RM)

	Number of shares	Amount
Ordinary shares		
Issued and fully paid shares with no par value classified as equity instrument:		
At 1 April 2021/31 March 2022	**2,000,000**	**2,000,000**

Ordinary shares

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

9. TRADE AND OTHER PAYABLES

(Amount in RM)

	Note	2022	2021
Trade			
Amount due to contract customers		**3,967,802**	2,273,941
Non-trade			
Other payables		**12,395,722**	8,493,878
Amounts due to:			
- immediate holding company	9.1	**3,079,845**	2,347,272
- penultimate holding company	9.1	**31,387,258**	21,024,077
- ultimate holding company	9.1	**118,284**	518,462
- related companies	9.1	**284,030**	7,028
Accruals		**15,247,391**	9,872,843
		62,512,530	42,263,560
		66,480,332	44,537,501

9.1 The non-trade balances due to immediate holding company, penultimate holding company, ultimate holding company and related companies represent payments made on behalf, which are unsecured, interest free and repayable on demand.

10. REVENUE

(Amount in RM)

	2022	2021
Rendering of consultancy services	**225,708,764**	238,541,872
Sale of equipment and software licenses	**11,877,076**	8,828,488
	237,585,840	247,370,360

11. PROFIT BEFORE TAX

(Amount in RM)

	2022	2021
Profit before tax is arrived at after *charging/(crediting):*		
Auditors' remuneration		
- KPMG PLT	**33,000**	33,075
Material expense/(income):		
Depreciation on plant and equipment	**1,500,522**	1,417,317
Dividend income from investments in unquoted shares	**(63,039)**	(68,318)
Interest income of financial assets that are not measured at fair value through profit or loss	**(23,984)**	(86,556)
Net impairment loss / (reversal) on trade receivables	**196**	(1,691,973)
Personnel expenses:		
- Salaries and bonuses	**100,988,248**	118,495,675
- Contributions to defined contribution plan	**5,780,545**	4,447,374
- Social security contributions	**798,144**	505,973
- Other employees benefits	**4,893,115**	5,499,672
Realised loss on foreign exchange	**323,154**	108,416
Unrealised (gain) / loss on foreign exchange	**(115,495)**	72,067

12. TAX EXPENSE

(Amount in RM)

	2022	2021
Recognised in profit or loss		
Current tax expense		
- current year	**1,036,235**	4,209,824
- under provision in prior year	**1,112,711**	167,615
	2,148,946	4,377,439
Deferred tax expense		
- origination and reversal of temporary differences	**(168,429)**	451,134
- (over)/ under provision in prior year	**(29,598)**	194,018
	(198,027)	645,152
	1,950,919	5,022,591

Income tax expense of RM1,950,919 (2021: RM5,022,591) is higher than the statutory tax rate of 24% (2021: 24%) is mainly due to under provision in prior year.

13. DIVIDENDS

Dividends recognised by the Company:

(Amount in RM)

	Total amount	Date of payment
2022		
Interim ordinary dividend	**12,600,000**	**8 March 2022**
2021		
Final ordinary dividend	**12,000,000**	**26 March 2021**

14. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

(Amount in RM)

	2022	2021
Not later than 1 year	**805,752**	796,991
Later than one year but not later than five years	**736,462**	1,426,587
	1,542,214	2,223,578

The Company leases a number of office premises, resulting in future rental commitments which can, subject to certain terms in the agreements, be revised annually based on prevailing market rates.

15. FINANCIAL INSTRUMENTS

15.1 Categories of financial instrument

The trade and other receivables (excluding prepayments), cash and cash equivalents and trade and other payables are categorised as financial assets and financial liabilities measured at amortised cost, while the other investments are categorised as financial assets that are equity instruments measured at amortised cost ("AC").

15.2 Net gains and losses arising from financial instruments

(Amount in RM)

	2022	2021
Net (losses)/gains on:		
Financial assets measured at amortised cost	**54,459**	1,564,556
Financial liabilities measured at amortised costs	**(238,330)**	33,490
Financial assets that are equity instruments measured at amortised cost	**63,039**	68,318
	(120,832)	1,666,364

16. RELATED PARTIES

Significant related parties transactions

Significant related party transactions of the Company are shown below. The balances to the below transactions are shown in Notes 6 and 9.

(Amount in RM)

	2022	2021
Project costs and other expenses charged for the financial year:		
- Related companies	**(17,476,276)**	(18,977,649)
- Penultimate holding company	**(15,943,729)**	(19,553,450)
- Immediate holding company	**(1,453,866)**	(2,061,471)
Project costs and other expenses incurred for the financial year:		
- Penultimate holding company	**77,839,603**	62,480,166
- Immediate holding company	**3,146,248**	3,219,793
- Ultimate holding company	**118,284**	518,462
- Related companies	**627,528**	15,653
Staff costs incurred for the financial year:		
- Penultimate holding company	**20,365,382**	31,849,591
- Immediate holding company	**8,181**	134,141
Dividend income		
- Related company	**(63,039)**	(68,318)
Key management personnel Directors		
Professional fees paid to a Director of the Company	**120,000**	120,000

17. COMMITMENTS

(Amount in RM)

	2022	2021
Capital expenditure commitments		
Plant and equipment		
Contracted but not provided for	**693,150**	41,528

Statement by Directors pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 24.8 to 24.18 are drawn up in accordance with Malaysia Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2022 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....

Girish Payangatiri Ramachandran

Director

Date: 11 May 2022

....

Manoj Ranjitsinh Rajput

Director

Date: 11 May 2022

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Statutory declaration pursuant to Section 251(1)(b) of the Companies Act 2016

I, Manoj Ranjitsinh Rajput, the Director primarily responsible for the financial management of TATA Consultancy Services Malaysia Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 5 to 26 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Oaths and Declaration Act (Cap 211).

Subscribed and solemnly declared by the abovenamed Manoj Ranjitsinh Rajput, Passport Number: Z4636830, at The Republic of Singapore on 11 May 2022.

....

Manoj Ranjitsinh Rajput

Director

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF

TATA CONSULTANCY SERVICES MALAYSIA SDN BHD
(Registration No. 200301022873 (625293-W))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TATA Consultancy Services Malaysia Sdn. Bhd., which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT

(LLP0010081-LCA & AF 0758)
Chartered Accountants
Petaling Jaya,

Eric Kuo Sze-Wei

Approval Number: 03473/11/2023 J
Chartered Accountant

Date: 11 May 2022.

TATA CONSULTANCY SERVICES (CHINA) CO., LTD.

ANNUAL FINANCIAL STATEMENTS

For the year ended
December 31, 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

CONTENT	PAGE

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF TATA CONSULTANCY SERVICES (CHINA) CO., LTD

Opinion

We have audited the accompanying financial statements of TATA Consultancy Services (China) Co., Ltd(hereinafter "the Company"), which comprise the balance sheets as at 31 Dec 2021, and the income statements, the cash flow statements and the statements of changes in equity for the period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statement present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the period then ended in accordance with Enterprises Accounting System.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement Section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountant (Ethics Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we fulfilled our other ethical responsibilities in accordance with these requirements and the Ethics Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of the financial statement in accordance with Accounting System for Business Enterprises, and for such internal control as management determines in necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Srandards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton
Beijing, China
25 Feb 2022

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Balance sheet as at 31 December 2021

(RMB)

	Note	As at 31 December 2021	As at 31 December 2020
CURRENT ASSETS			
Cash and cash equivalents	VI.1	**107,136,765.70**	104,428,787.27
Notes receivable		**-**	-
Accounts receivable	VI.2	**157,779,380.21**	136,873,505.44
Prepayments	VI.3	**113,123.23**	33,901.19
Interest receivable		**-**	-
Dividends receivable		**-**	-
Other receivables	VI.4	**6,511,710.49**	4,694,438.06
Inventories		**-**	-
Non-current assets maturing within one year		**-**	-
Other current assets	VI.5	**8,999,355.49**	8,288,481.09
TOTAL CURRENT ASSETS		**280,540,335.12**	254,319,113.05
NON-CURRENT ASSETS:			
Available-for-sale financial assets		**-**	-
Held-to-maturity investments		**-**	-
Long-term receivables		**-**	-
Long-term equity investments		**-**	-
Investment property		**-**	-
Fixed assets - original cost	VI.6	**99,510,215.67**	97,640,661.27
Less: accumulated depreciation	VI.6	**77,594,430.43**	78,313,223.73
Fixed assets - net book value	VI.6	**21,915,785.24**	19,327,437.54
Less: provision for impairment		**-**	-
Fixed assets - carrying amount	VI.6	**21,915,785.24**	19,327,437.54
Construction in progress		**-**	-
Materials for projects		**-**	
Fixed assets pending disposal		**-**	-
Productive biological assets		**-**	-
Oil and gas assets		**-**	-
Intangible assets		**-**	-
Development expenditure		**-**	-
Goodwill		**-**	-
Long-term deferred expenses		**510,620.00**	-
Other non-current assets		**-**	-
TOTAL NON-CURRENT ASSETS:		**22,426,405.24**	19,327,437.54
TOTAL ASSETS		**302,966,740.36**	273,646,550.59

THE NOTES ON PAGES 25.10 TO 25.22 FORM PART OF THESE FINANCIAL STATEMENTS

(RMB)

	Note	As at 31 December 2021	As at 31 December 2020
CURRENT LIABILITIES			
Short-term loans		**-**	-
Notes payable		**-**	-
Accounts payable	VI.7	**15,324,908.55**	8,788,330.48
Advances from customers		**2,998,201.18**	6,444,163.85
Salaries and employee benefits payable	VI.8	**37,347,600.02**	33,610,967.16
Taxes payable	VI.9	**7,801,108.13**	9,437,292.15
Interest payable		**-**	-
Dividends payable		**-**	-
Other payables	VI.10	**22,552,301.59**	22,851,757.66
Non-current liabilities maturing within one year		**-**	-
Other current liabilities		**-**	-
TOTAL CURRENT LIABILITIES		**86,024,119.47**	81,132,511.30
NON-CURRENT LIABILITIES:			
Long-term loans		**-**	-
Debentures payable		**-**	-
Long-term payables		**-**	-
Specific accounts payable		**-**	-
Provisions		**-**	-
Other non-current liabilities		**-**	-
TOTAL NON-CURRENT LIABILITIES		**-**	-
TOTAL LIABILITIES		**86,024,119.47**	81,132,511.30
Shareholder's Equity:		**-**	-
Share capital	VI.11	**201,936,346.00**	201,936,346.00
Capital reserves	VI.12	**91,094.00**	91,094.00
Less: Treasury shares		**-**	-
Specific reserve		**-**	-
Surplus reserves	VI.13	**74,087.59**	74,087.59
Retained earnings	VI.14	**14,841,093.30**	-9,587,488.30
Total owner's equity		**216,942,620.89**	192,514,039.29
TOTAL LIABILITIES AND OWNERS' EQUITY		**302,966,740.36**	273,646,550.59

THE NOTES ON PAGES 25.10 TO 25.22 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

Income Statement For the year ended 31 December 2021

(RMB)

	Note	For the year ended December 31, 2021	For the year ended December 31, 2020
REVENUES		**726,907,457.13**	675,853,438.27
Including: Revenue from operations	VI.15	**726,907,457.13**	675,853,438.27
Including: Revenue from main operations	VI.15	**726,907,457.13**	675,853,438.27
Revenue from other operations		**-**	-
LESS: COST OF SALES		**692,868,343.46**	620,199,339.92
Including: Operating costs	VI.15	**573,610,562.98**	507,159,517.20
Including: Operating cost from main operations	VI.15	**573,610,562.98**	507,159,517.20
Operating cost from other operations		**-**	-
Taxes and surcharges		**2,018,298.93**	1,728,704.69
Selling and distribution expenses		**16,408,794.37**	14,563,469.13
General and administrative expenses		**98,902,768.02**	94,818,941.10
Research and development expenses		**-**	-
Finance expenses	VI.16	**1,927,919.16**	1,928,707.80
Including: Interest expenses		**-**	-
Interest income	VI.16	**1,484,754.17**	1,005,713.23
Net exchange losses/gains	VI.16	**3,289,028.38**	2,797,528.70
Other		**-**	-
Add: Gains from changes in fair value ("-" denotes losses)		**-**	-
Investment income ("-" denotes losses)		**-**	-
Including: Share of profits in associates and joint ventures		**-**	-
PROFIT FROM OPERATIONS ("-" DENOTES LOSSES)		**34,039,113.67**	55,654,098.35
Add: Non-operating income	VI.17	**3,640,849.35**	2,056,138.17
Less: Non-operating expenses	VI.18	**59,356.25**	228,817.58
PROFIT BEFORE TAX ("-" DENOTES LOSSES)		**37,620,606.77**	57,481,418.94
Less: Income taxes		**13,192,025.17**	12,575,169.91
NET PROFIT FOR THE YEAR ("-" denotes losses)		**24,428,581.60**	44,906,249.03
TOTAL COMPREHENSIVE INCOME		**24,428,581.60**	44,906,249.03

THE NOTES ON PAGES 25.10 TO 25.22 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

Cash flow statement For the year ended 31 December 2021

(RMB)

	Note	For the year ended December 31, 2021	For the year ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from sales of goods or rendering of services		**732,542,564.77**	718,114,367.72
Refunds of taxes		**659,050.15**	538,563.13
Cash received relating to other operating activities		**7,611,557.35**	3,789,355.76
Sub-total of cash inflows from operating activities		**740,813,172.27**	722,442,286.61
Cash paid for goods and services		**198,395,449.34**	171,812,968.93
Cash paid to and on behalf of employees		**421,422,840.10**	457,835,690.43
Tax payments		**35,914,162.70**	26,891,407.31
Cash paid relating to other operating activities		**67,196,012.93**	20,079,545.98
Sub-total of cash outflows from operating activities		**722,928,465.07**	676,619,612.65
Net Cash Flows from / (used in) Operating Activities		**17,884,707.20**	45,822,673.96
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received from disposal of investments		**-**	-
Cash received from return on investments		**-**	-
Cash received from disposal of fixed assets, intangible assets and other long-term assets		**54,362.23**	20,940.00
Net cash received from disposal of subsidiaries and other business units		**-**	-
Cash receipts relating to other investing activities		**-**	-
Sub-total of cash inflows from investing activities		**54,362.23**	20,940.00
Cash paid to acquire fixed assets, intangible assets and other longterm assets		**11,942,062.62**	6,280,428.80
Cash paid to acquire investment		**-**	-
Cash paid relating to other investing activities		**-**	-
Sub-total of cash outflows from investing activities		**11,942,062.62**	6,280,428.80
Net Cash Flows from / (used in) Investing Activities		**-11,887,700.39**	-6,259,488.80
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash received from capital contributions		**-**	-
Cash received from borrowings		**-**	-
Cash receipts relating to other financing activities		**-**	-
Sub-total of cash inflows from financing activities		**-**	-
Repayments of borrowings		**-**	-
Dividends paid, profit distribution and interest paid		**-**	-
Cash payments relating to other financing activities		**-**	-
Sub-total of cash outflows from financing activities		**-**	-
Net Cash Flows from / (used in) Financing Activities		**-**	-
Effect of Foreign Exchange Rate Changes on Cash		**-3,289,028.38**	-2,797,528.70
Net Increase / (Decrease) in Cash and Cash Equivalents		**2,707,978.43**	36,765,656.46
Add: Cash and cash equivalents at the beginning of the period		**104,428,787.27**	67,663,130.81
Cash and cash equivalents at the end of the period		**107,136,765.70**	104,428,787.27

THE NOTES ON PAGES 25.10 TO 25.22 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

STATEMENT OF CHANGES IN EQUITY

(RMB)

	2021						
	Share capital	Capital reserves	Less: Treasury Share	Specific reserve	Surplus reserves	Retained earnings	Total
1. Balance at the end of last year	**201,936,346.00**	**91,094.00**	**-**	**-**	**74,087.59**	**-9,587,488.30**	**192,514,039.29**
Add: Changes in accounting policy							
Adjustments in prior years							
2. Balance at the beginning of the period	**201,936,346.00**	**91,094.00**	**-**	**-**	**74,087.59**	**-9,587,488.30**	**192,514,039.29**
3. Movement during the period ("-" denotes less)	**-**	**-**	**-**	**-**	**-**	**24,428,581.60**	**24,428,581.60**
3.1 Net profit for the period	**-**	**-**	**-**	**-**	**-**	**24,428,581.60**	**24,428,581.60**
3.2 Other comprehensive income							
Total other comprehensive income							
3.3 Share capital by or returned to investors							
a. Share capital injected by investors							
b. Issurance of share pursuant to the exercise of share options							
c. Others							
3.4 Specific Reserve							
a. Appropriation during the year							
b. Utilisation during the year							
3.5 Appropriation of profits							
a. Transfer to surplus reserves							
Including: Statutory surplus							
Discretionary surplus reserve							
General reserve fund							
Enterprise expansion fund							
b. General risk allowance							
c. Distributions to shareholders							
d. Others							
3.6 Transfer within equity							
a. Capital reserves converting into share capital							
b. Surplus reserves converting into share capital							
c. Surplus reserves cover the deficit							
d. Others							
4. Balance at the end of the period	**201,936,346.00**	**91,094.00**	**-**	**-**	**74,087.59**	**14,841,093.30**	**216,942,620.89**

THE NOTES ON PAGES 25.10 TO 25.22 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

STATEMENT OF CHANGES IN EQUITY

(RMB)

	2020						
	Share capital	Capital reserves	Less: Treasury Share	Specific reserve	Surplus reserves	Retained earnings	Total
1. Balance at the end of last year	201,936,346.00	91,094.00	-	-	74,087.59	-54,493,737.33	147,607,790.26
Add: Changes in accounting policy							
Adjustments in prior years							
2. Balance at the beginning of the period	201,936,346.00	91,094.00	-	-	74,087.59	-54,493,737.33	147,607,790.26
3. Movement during the period ("-" denotes less)	-	-	-	-	-	44,906,249.03	44,906,249.03
3.1 Net profit for the period	-	-	-	-	-	44,906,249.03	44,906,249.03
3.2 Other comprehensive income							
Total other comprehensive income							
3.3 Share capital by or returned to investors							
a. Share capital injected by investors							
b. Issurance of share pursuant to the exercise of share options							
c. Others							
3.4 Specific Reserve							
a. Appropriation during the year							
b. Utilisation during the year							
3.5 Appropriation of profits							
a. Transfer to surplus reserves							
Including: Statutory surplus							
Discretionary surplus reserve							
General reserve fund							
Enterprise expansion fund							
b. General risk allowance							
c. Distributions to shareholders							
d. Others							
3.6 Transfer within equity							
a. Capital reserves converting into share capital							
b. Surplus reserves converting into share capital							
c. Surplus reserves cover the deficit							
d. Others							
4. Balance at the end of the period	201,936,346.00	91,094.00	-	-	74,087.59	-9,587,488.30	192,514,039.29

THE NOTES ON PAGES 25.10 TO 25.22 FORM PART OF THESE FINANCIAL STATEMENTS

Legal representative: **Person in charge of accounting function:** **Person in charge of accounting department:**

I. COMPANY BACKGROUND AND PRINCIPAL ACTIVITIES

TATA Consultancy Services (China) Co., Ltd. (hereafter the "Company") is a foreign owned investment enterprise registered on 18 October 2006 with the approval from Ministry of Commerce of PRC (Shang Zi Pi No.[2006]1936) and Beijing Municipal People's Government (Jing Wai Zi Jing Zi No. [2006] 20517 on 18 October 2006) in 2006. The Company is located in Tower D, 3rd District, No.9 Building, Zhongguancun, Software Park, 8 Dongbeiwang West Road, Haidian District, Beijing. The registered capital of the Company is RMB 100,800,000 and the Company obtained its business license with the registered number of 110000410302580. In 2008, the registered capital changed to RMB 110,400,000 with the approval from Beijing Bureau of Commerce (Jing Shang Zi No.[2008]1748). The Company obtained the new business license (No. 110000410302580) which was reissued by Beijing municipal people's government.

In 2010, according to the Resolution of interim shareholders' meeting, the Company merged TITL. After that, the registered capital increase to RMB 201,936,246.00, with the approval from Beijing Municipal Commission of Commerce (Jing Shan wu Zi No.[2010]1077). On 21 December 2010, the Company received the renewal certificate of approval (Shang Waizi Jing Zi No. [2006] 20517) and business license (No. 110000410302580) from Beijing Municipal People's Government.

On November 28, 2016, the Company changed the basic information include the change of ownership, cooperation rights and interests, with the record of Jing Hai Wai Zi Bei 201600099. The capital contributions of investors after changes shown as follow:

Investors	% of investment
TATA Consultancy Services Asia Pacific Pte Ltd	93.20
Beijing Zhongguancun Software Park Development Co.,Ltd	3.60
Tianjin Huayuan Software Park Construction and Development Co.,Ltd	3.20
Total	**100.00**

On November 26, 2021, according to the 'TCS(China) (2021) Shareholder's Circular Resolution No. SH- 2021-01" of the company, agree that Beijing Zhongguancun Software Park Development Co., Ltd. (hereinafter referred to as the ''BZS") transfer all 7,269,709 shares and Tianjin Huayuan Software Area Construction and Development Co., Ltd. (hereinafter referred to as the "THS") transfer 6,461,963 shares held by it in the Company in accordance with Chinese relevant laws and regulations, the Promoters' Agreement relating to the establishment of (a Foreign-Invested Joint Stock Company) TATA Consultancy Services Asia Pacific Pte Ltd (hereinafter referred to as the "THS"), BZS and THS waive the preemptive right over the shares transferred by each other. While TCS does not waive the right of preemption of transferred shares.

The approved scope of business operations includes the development and production of software; the production and sale of self-product; the development, consultation, service and transfer of technology; the service of data processing and electronic information storage; the development, consultation and transfer of network technology; the integration of computer system; the wholesale and commission agent (apart from auctions) of computer and component, electronic products as well as office supplies; the import and export business of product and technology; the agent of import and export business; the business process outsourcing services (not related to state trading management of goods, involving quotas, licenses, and the management of commodity in accordance with relevant state provisions application).

II. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Accounting System for Business Enterprises as promulgated by the State of the People's Republic of China. The financial statements of the Company have been prepared on a going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting System

The Company adopts the Accounting System for Business Enterprises and all relevant supplementary regulations.

2. Accounting Period

The accounting period of the Company is from 1 January to 31 December.

3. Functional currency

The Company uses Renminbi ("RMB") as its functional currency.

4. Basis of accounting and measurement bases

The Company follows the accrual basis of accounting. The financial statements have been prepared under historical cost convention.

5. Foreign currency transactions

Foreign currency transactions during the year are translated into Renminbi at the exchange rates quoted by the People's Bank of China ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currenciens are translated into Renminbi at the exchange rates quoted by the People's Bank of China and ther exchange rates recognized by the State ruling at the balance sheet date. Exchange gains and losses on foreign currency translation, except for the exchange gains and losses directly relating to the construction of fixed assets, are dealt with in the income statement.

6. Cash and cash equivalents

Cash includes cash on hand and deposits that can be used as payment instruments at any time. Cash equivalents refer to short-term, highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Provision for bad and doubtful debts

The provision for bad and doubtful debts is estimated by management based on indivldual accounts receivable which show signs of uncollectibility and an ageing analysis. Provision for other receivables is determined based on their specific nature and management's estimate of their collectability.

Bad debt is accounted for using the allowance method. For related party balance, it is based on specific identification method. For non-related party balance, provision of bad debt should be determined by aging. Specific percentage is as follow:

Aging	Provision for bad debts as a percentage of receivables %
Within 273 days	0.00
274days to 2 years	100.00
2 to 3 years	100.00
Over 3 years	100.00

The Company recognises bad debts loss when the following criteria are met:

(a) Due to bankruptcy or revocation imposed by law of the debtors with relevant declaration of bankruptcy, cancellation of business registration or proof of revocation of business license or order to foreclose by the government department being obtained, bad debt loss is recognised based on the irrecoverable balance after netting off the settlement of the liquidated assets of the debtors;

(b) Due to the death or declaration by law to be missing or pronounced dead of the debtors and the estate is insufficient to cover the debt where there is no heir to the debts, bad debt loss is recognised after obtaining all relevant legal documents;

(c) For balances under legal dispute, bad debt loss is recognised on the lawsuit which is lost based on Court Order or those lawsuit won but adjudicated to stop the execution of the Order;

8. Fixed Assets

Fixed assets are tangible assets with useful life exceeding one year and with a relatively higher unit cost, including building, plants, machinery equipments, transportation facilities, and oilier equipments held by the Company for production of goods, provision of services, for rental to others, or held for management purposes. Fixed assets are stated at acquisition cost.

Subsequent expenditures for major reconstruction, expansion, improvement and renovation are capitalized when it is probable that the future economic benefits exceeds the originally assessment of the existing asset, or the useful life of fixed assets is prolonged or the quality of products is substantively improved or the cost of products is substantively reduced as a result of such expenditure. However, ilie amount capitalized should not exceed the increase of recoverable amount All other subsequent expenditures are expensed when incurred.

The Company use the straight line method for depreciation. Fixed assets begin to be depreciated from the state of intended use, and stop being depreciated when derecognized or classified as held for sale non-current assets. The estimated residual value, useful life and annual depreciation rate of each category of fixed assets are as follows:

Category of fixed assets	Usefully Life(year)	Residual Value%	Annual depreciation
Leasehold improvement	Shorter of beneficial period and lease	-	-
Computer and communication equipment	4	-	25%
Electronic equipment, furniture and fixtures	5-10	-	10% - 20%

The Company reviews its fixed assets on an individual basis at each period end and provides for impairment losses when the recoverable value of the fixed assets falls below the carrying value due to continuing slump of market value, technical obsolescence, and damage or long period idleness.

9. Construction in progress

The cost of construction in progress is determined according to the actual expenditure incurred for the construction.

Construction in progress is transferred to fixed assets when the asset is ready for its intended use.

10. Long-term deferred expenses

Improvement on leased properties is amortised over the lease term [or economic useful lives] on straight line basis.

Expenses incurred during the Company's pre-operating period are recorded as long-term deferred expenses and recorded into current profit and loss in production period.

11. Revenue

(1) Revenue from rendering of services

Where the outcome of a transaction involving the providing of services can be estimated reliably, at the end of the period, revenue associated with the transaction is recognized using the percentage of completion method.

The stage of completion of a transaction involving the providing of services is determined according to the proportion of costs incurred to the estimated total costs.

The outcome of a transaction involving the providing of services can be estimated reliably only when all of the following conditions can be satisfied at the same time:

A. The amount of revenue can be measured reliably;

B. The associated economic benefits are likely to flow into the enterprise;

C. The stage of completion of the transaction can be measured reliably;

D. The costs incurred and to be incurred in the transaction can be measured reliably.

If the outcome of a transaction involving the providing of services can't be estimated reliably, the revenue of providing of services is recognized at the service cost that incurred and is estimated to obtain compensation and the service cost incurred is recognized in profit or loss for the current period. If the service cost incurred is not to obtain compensation, revenue cannot be recognized.

12. Subsidy income

Subsidy income is calculated and recognized in the income statement upon receipt of the subsidy.

13. Income Tax

Income tax is recognized using the tax payable method.

IV. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND CORRECTION OF ERRORS IN PRIOR PERIODS

(1) Changes in significant accounting policies and accounting estimates

During the reporting period, the company has no changes in accounting policies and accounting estimates.

(2) Corrections of errors in prior periods

During the reporting period, the company has no corrections of errors.

V. TAXATION

1. Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate%
VAT	Taxable income	6
Urban maintenance and construction tax	Turnover tax payable	7
Education fees	Turnover tax payable	3
Local additional education fees	Turnover tax payable	2
Enterprise income tax	Taxable profits	25

2. Tax preferential treatments and approval documents

(a) Tax exemption of offshore outsourcing revenue

According to the Appendix 4 of Cai Shui [2016] 36,Zero VAT Rate and Tax Free Policy for Cross-border Taxable Acts, zero VAT rate is applicable to offshore service outsourcing business completely consumed overseas. Therefore, the company's offshore outsourcing business income in line with the regulations in the current period is exempt from VAT.

(b) Additional deduction of input tax

According to Ministry of finance, the State Administration of Taxation and the General Administration of Customs [2019] 39, Deepening VAT reform, from 1 April 2019 to 31 December 2021, taxpayers of production and consumer services are allowed 10% additional deduction of current input tax to offset tax payable.

VI. NOTES TO THE FINANCIAL STATEMENTS

1. Cash at bank and in hand

(RMB)

	December 31, 2021	December 31, 2020
Cash in hand	**134,530.43**	86,606.49
Cash at bank	**107,002,235.27**	104,342,180.78
Total	**107,136,765.70**	104,428,787.27

The above includes foreign currency as follows:

(RMB)

Currency	December 31, 2021			December 31, 2020		
	Original currency	Exchange rate	RMB equivalents	Original currency	Exchange rate	RMB equivalents
US Dollars	**101,005.91**	**6.3794**	**644,357.13**	150,323.79	6.5249	980,847.70

2. Accounts receivable

(1) Accounts receivable by aging analysis:

(RMB)

	December 31, 2021			
	Book value	%	Provision for bad and doubtful debts	Carrying amount
Within 1 year	157,779,380.21	99.97	-	157,779,380.21
1 to 2 years	-	0.00	-	-
2 to 3 years	-	0.00	-	-
More than 3 years	46,753.34	0.03	46,753.34	-
Total	157,826,133.55	100.00	46,753.34	157,779,380.21

(RMB)

	December 31, 2020			
	Book value	%	Provision for bad and doubtful debts	Carrying amount
Within 1 year	136,840,524.55	99.02	3,199.67	136,837,324.88
1 to 2 years	6,205.52	0.00	-	6,205.52
2 to 3 years	-	-	-	-
More than 3 years	1,354,898.63	0.98	1,324,923.59	29,975.04
Total	138,201,628.70	100.00	1,328,123.26	136,873,505.44

2. Provision for bad and doubtful debts:

(RMB)

1 January 2021	Additions for the year	Decrease during the year		31 December 2021
		Write off	Reversal	
1,328,123.26	1,201,447.87	1,169,764.76	1,313,053.03	46,753.34

3. Prepayment

(RMB)

	December 31, 2021	December 31, 2020
Others	113,123.23	33,901.19

4. Other receivables

(1) Accounts receivable by aging analysis:

(RMB)

	December 31, 2021			
	Book value	%	Provision for bad and doubtful debts	Carrying amount
Within 1 year	2,154,209.45	33.08	-	2,154,209.45
1 to 2 years	228,186.36	3.50	-	228,186.36
2 to 3 years	-	-	-	-
More than 3 years	4,129,314.68	63.41	-	4,129,314.68
Total	6,511,710.49	100.00	-	6,511,710.49

(RMB)

	December 31, 2020			
	Book value	%	Provision for bad and doubtful debts	Carrying amount
Within 1 year	565,123.38	12.04	-	565,123.38
1 to 2 years	-	-	-	-
2 to 3 years	703,015.07	14.98	-	703,015.07
More than 3 years	3,426,299.61	72.98	-	3,426,299.61
Total	4,694,438.06	100.00	-	4,694,438.06

5. Other current assets

(RMB)

	December 31, 2021	December 31, 2020
Prepaid VAT and Tariff	-	969,289.58
Educational expenses	**1,744,472.49**	2,219,116.93
Communication - Data Circuits Inland	**4,912,893.39**	2,762,148.33
Rent	**1,081,204.69**	1,183,572.86
Insurance	**822,321.75**	983,660.95
Others	**438,463.17**	170,692.44
Total	**8,999,355.49**	8,288,481.09

6. Fixed assets

(1) Cost of fixed assets

(RMB)

	1 January 2021	Additions during the period	Disposal during the period	31 December 2021
Leasehold improvement	**26,462,463.35**	**15,716.37**	**-**	**26,478,179.72**
Computer and communication equipment	**40,269,821.34**	**11,387,466.76**	**9,561,888.22**	**42,095,399.88**
Electronic equipment, furniture and fixtures	**30,908,376.58**	**28,259.49**	**-**	**30,936,636.07**
Total	**97,640,661.27**	**11,431,442.62**	**9,561,888.22**	**99,510,215.67**

(2) Accumulated depreciation of fixed assets

(RMB)

	1 January 2021	Additions during the period	Disposal during the period	31 December 2021
Leasehold improvement	**23,744,362.93**	**1,514,733.52**	**-**	**25,259,096.45**
Computer and communication equipment	**28,401,850.23**	**5,930,990.88**	**9,555,532.28**	**24,777,308.83**
Furniture and fixtures	**26,167,010.57**	**1,391,014.58**	**-**	**27,558,025.15**
Total	**78,313,223.73**	**8,836,738.98**	**9,555,532.28**	**77,594,430.43**

(3) Net book values of fixed assets

(RMB)

	1 January 2021	December 31, 2021
Leasehold improvement	**2,718,100.42**	**1,219,083.27**
Computer and communication equipment	**11,867,971.11**	**17,318,091.05**
Electronic equipment, furniture and fixtures	**4,741,366.01**	**3,378,610.92**
Total	**19,327,437.54**	**21,915,785.24**

7. Accounts payable

(RMB)

	December 31, 2021	December 31, 2020
Payable for goods	**899,670.19**	-
Payable to related parties	**11,558,126.32**	8,348,028.36
Payable for expenses	**2,867,112.04**	-
Others	-	440,302.12
Total	**15,324,908.55**	8,788,330.48

8. Employee benefits payable

(RMB)

	December 31, 2021	December 31, 2020
Salaries, bonus, allowances	**34,782,808.94**	32,044,421.88
Social insurances	**2,564,791.08**	1,566,545.28
Total	**37,347,600.02**	33,610,967.16

9. Taxes payable

(RMB)

	December 31, 2021	December 31, 2020
Corporate income tax	**5,024,441.34**	7,273,103.93
Value added tax	**555,364.51**	
Individual income tax	**2,221,302.28**	2,164,188.22
Total	**7,801,108.13**	9,437,292.15

10. Other payables

(RMB)

	December 31, 2021	December 31, 2020
Project provision	**18,413,670.09**	16,708,700.60
Expenses provision	**3,964,555.20**	5,621,758.22
Petty cash	**174,076.30**	117,121.07
Other	-	404,177.77
Total	**22,552,301.59**	22,851,757.66

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11. Share capital

(RMB)

	1 January 2021	Additions during the period	Reductions during the year	31 December 2021
TATA Consultancy Services Asia Pacific Pte Ltd	**188,204,674.00**	-	-	**188,204,674.00**
Beijing Zhongguancun Software Park Development Co.,Ltd	**7,269,709.00**	-	-	**7,269,709.00**
Tianjin Huayuan Software Park Construction and Development Co.,Ltd	**6,461,963.00**	-	-	**6,461,963.00**
Total	**201,936,346.00**	-	-	**201,936,346.00**

12. Capital reserve

(RMB)

	1 January 2021	Additions during the period	Reductions during the year	31 December 2021
Other capital reserves	**91,094.00**	-	-	**91,094.00**

Note: Account payable not required to be paid.

13. Surplus reserve

(RMB)

	1 January 2021	Additions during the period	Reductions during the year	31 December 2021
Statutory surplus reserve	**74,087.59**	-	-	**74,087.59**

14. Retained earnings

(RMB)

	December 31, 2021	December 31, 2020
Retained earnings at beginning of year	**-9,587,488.30**	-54,493,737.33
Add:Correction of errors in prior years		-
Current year profits	**24,428,581.60**	44,906,249.03
Retained earnings at end of period	**14,841,093.30**	-9,587,488.30

15. Operating revenue and operating cost

(RMB)

	2021		2020	
	Revenue	Cost	Revenue	Cost
Principal activities	**726,907,457.13**	**573,610,562.98**	675,853,438.27	507,159,517.20

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16. Financial expenses

(RMB)

	December 31, 2021	December 31, 2020
Total interest expenses	-	-
Less: Interest income	**1,484,754.17**	1,005,713.23
Net exchange losses/gains	**3,289,028.38**	2,797,528.70
Bank charges and others	**123,644.95**	136,892.33
Total	**1,927,919.16**	1,928,707.80

17. Non-operating income

(RMB)

	December 31, 2021	December 31, 2020
Government grants	**2,933,792.91**	1,233,378.10
VAT refund	**269,643.68**	-
Others	**389,406.47**	822,760.07
Gains from disposal of non-current assets	**48,006.29**	-
Total	**3,640,849.35**	2,056,138.17

18. Non-operating expenses

(RMB)

	December 31, 2021	December 31, 2020
Losses from disposal of non-current assets	-	144,757.58
Donations provided	**59,180.14**	84,060.00
Late payment fee	**176.11**	
Total	**59,356.25**	228,817.58

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VII. SUPPLEMENTARY INFORMATION ON CASH FLOW STATEMENT

(1) Supplement to cash flow statement:

(RMB)

		For the year ended December 31, 2021	For the year ended Dwecember 31, 2020
1	**Reconciliation of net profit/loss to cash flows from operating activities:**		
	net profit/loss	**24,428,581.60**	44,906,249.03
	Less: Unrecognized investment loss		
	Add: Provisions for impairment of assets	**-111,605.16**	-1,090,606.24
	Depreciation of fixed assets	**8,836,738.98**	14,319,204.55
	Loss of disposing fixed assets, intangible assets and other long-term assets	**-48,006.29**	144,757.58
	Financial expenses ("-" for income)	**3,289,028.38**	2,797,528.70
	Decrease in operating receivables ("-" for increase)	**-19,933,793.35**	9,151,206.33
	Increase in operating payables ("-" for decrease)	**1,312,157.88**	-24,405,665.99
	Net cash flows from operating activities	**17,884,707.20**	45,822,673.96
2	**Investing and financing activities not requiring the use of cash:**	**-**	-
	Conversion of debt into capital	**-**	-
	Convertible bonds due within one year	**-**	-
	Acquisition of fixed assets under finance leases	**-**	-
3	**Change in cash and cash equivalents:**	**-**	-
	Cash ending balance	**107,136,765.70**	104,428,787.27
	Less: cash beginning balance	**104,428,787.27**	67,663,130.81
	Net increase/decrease in cash and cash equivalents	**2,707,978.43**	36,765,656.46

(2) Details of cash and cash equivalents

(RMB)

	December 31, 2021	December 31, 2020
1. Cash	**107,136,765.70**	104,428,787.27
Including: Cash on hand	**134,530.43**	86,606.49
Bank deposits available on demand	**107,002,235.27**	104,342,180.78
2. Cash equivalents	**-**	-
3. Cash and cash equivalents ending balance	**107,136,765.70**	104,428,787.27

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information about the parent of the Company

	Registration place	Business nature	Shareholding percentage %	Percentage of voting rights %
TATA Consultancy Services Asia Pacific Pte Ltd	Singapore	Software Consultancy, Business Management and Servise	93.20	93.20

The ultimate parent company of the company is Tata Sons Private Limited.

2. Information on other related parties

	Related party relationship
Beijing Zhongguancun Software Park Development Co.,Ltd	Shareholder
TCS Financial Solutions Beijing Co., Ltd.	Subsidiary of ultimate holding company
Tata America International Corporation (TCS AMERICA)	Subsidiary of ultimate holding company
Tata Consultancy Services Deutschland GmbH	Subsidiary of ultimate holding company
Tata Consultancy Services Sverige AB	Subsidiary of ultimate holding company
Tata Consultancy Services Switzerland Ltd.	Subsidiary of ultimate holding company
Tata Consultancy Services France S.A.S	Subsidiary of ultimate holding company
Tata Consultancy Services Asia Pacific Pte Ltd	Subsidiary of ultimate holding company
Tata Consultancy Services Belgium N.V./S.A.	Subsidiary of ultimate holding company
Tata Consultancy Services Japan, Ltd.	Subsidiary of ultimate holding company
TCS (Thailand) Limited	Subsidiary of ultimate holding company
Tata Consultancy Services Netherland B.V.	Subsidiary of ultimate holding company
Tata Consultancy Services Limited	Subsidiary of ultimate holding company

3. Transactions with related parties

(1) Purchases/sales

(1) Receiving of services

(RMB)

	Year ended December 31, 2021	Year ended December 31, 2020
Tata Consultancy Services Limited	**63,908,558.06**	60,555,393.31
TATA Consultancy Services Asia Pacific Pte Ltd.	**801,496.16**	4,064,230.09

(2) Rendering of services

(RMB)

	Year ended December 31, 2021	Year ended December 31, 2020
Tata Consultancy Services Limited	**241,506,056.63**	212,228,258.32
Tata Consultancy Services Deutschland GmbH	**19,359,112.09**	9,413,649.16
Tata Consultancy Services Japan, Ltd	**12,171,103.63**	12,460,893.63
Tata Consultancy Services France S.A.S	**11,203,122.44**	3,756,054.57
Tata Consultancy Services Switzerland Ltd.	**5,140,694.90**	7,138,696.84
Tata Consultancy Services Netherlands B.V.	**4,253,379.39**	5,368,617.45
Tata Consultancy Services Asia Pacific Pte Ltd	**3,529,267.16**	8,624,372.40
Tata Consultancy Services Belgium S.A./N.V	**3,008,477.11**	2,475,578.77
Tata Consultancy Services Sverige AB	**2,559,201.44**	2,308,759.56
TCS Canada Inc	**836,291.77**	-
TCS (Thailand) Limited	**432,869.45**	621,328.57
TCS Malaysia Sdn Bhd	**298,891.04**	-

(2) Leases

(1) As the lessor

(RMB)

		2021	2020
	Type of assets leased	**Lease income recognized**	Lease income recognized
TCS Financial Solutions Beijing Co., Ltd.	Rent	**1,102,287.55**	1,118,398.77

(2) As the lessee

(RMB)

		2021	2020
	Type of assets leased	**Lease cost recognized**	Lease expense recognized
Beijing Zhongguancun Software Park Development Co.,Ltd	Rent	**1,737,070.68**	1,726,526.43

(3) Other

(RMB)

	Year ended December 31, 2021	Year ended December 31, 2020
TITAN COMPANY LIMITED	**-**	597,276.13
Tata Sons Private Limited	**1,086,959.50**	804,479.64

4. Receivables from and payables to related parties

(1) Receivables from related parties

(RMB)

	Year ended December 31, 2021	Year ended December 31, 2020
Tata Consultancy Services Limited	**30,221,824.34**	26,918,838.60
Tata Consultancy Services Deutschland GmbH	**4,667,684.41**	2,040,424.22
Tata Consultancy Services Japan, Ltd.	**894,832.44**	1,201,272.98
Tata Consultancy Services Belgium N.V./S.A.	**581,126.58**	202,260.01
Tata Consultancy Services Asia Pacific Pte Ltd	**303,318.33**	1,266,370.53
Tata Consultancy Services Switzerland Ltd	**206,327.22**	85,880.99
Tata Consultancy Services Sverige AB	**201,234.70**	226,082.39
TCS (Thailand) Limited	**34,173.39**	36,082.19
Tata Consultancy Services Netherlands B.V.	**-**	3,926,600.48
Tata Consultancy Services France S.A.S	**-**	1,523,482.85
Tata America International Corporation	**-**	567,432.90
Total	**37,110,521.41**	37,994,728.14

(2) Payables to related parties

(RMB)

	Year ended December 31, 2021	Year ended December 31, 2020
Tata Consultancy Services Limited	**7,633,038.15**	8,034,770.49
Tata Consultancy Services Netherlands B.V.	**2,580,976.76**	-
TITAN COMPANY LIMITED	**551,117.04**	-
Tata Consultancy Services France S.A.S	**660,680.59**	-
Tata Management Training Centre	**-**	10,848.81
Tata Consultancy Services Asia Pacific Pte Ltd.	**-**	302,409.06
Total	**11,425,812.54**	8,348,028.36

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(3) Other receivable

(RMB)

	Year ended December 31, 2021	Year ended December 31, 2020
Beijing Zhongguancun Software Park Development Co Ltd	**247,628.23**	247,628.23

IX. CONTINGENCIES

As at 31 Dec 2021 there is no material contingency arising from pending litigation and guarantee provided to other entities.

X. COMMITMENTS

Operating lease commitments

As at the balance sheet date, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

(RMB)

The total future minimum lease payments under non-cancellable operating leases	As at December 31, 2021	As at December 31, 2020
Within 1 year	**15,271,345.91**	9,509,993.79
Within 2 years	**10,911,783.02**	3,798,491.59
Within 3 years	**3,026,313.46**	2,317,627.44
Total	**29,209,442.39**	15,626,112.82

XI. POST BALANCE SHEET DATE EVENTS

The company signed the "TCS(China) (2021) Shareholder's Circular Resolution No. SH-2021-01" on November 26,2021 on matters related to equity change (see note I). By a resolution of the board of Directors of Tata Consultancy Services Asia Pacific Pte Ltd. (hereinafter referred to as the "TCS"), on November 25, 2021 to purchase the 7,269,709 shares of the company held by BZS and 6,461,963 shares of the company held by THS and proposed to be transferred. TCS signed the Contract for Transaction of Property Rights with BZS and THS respectively. As of the date of this report, the property right transaction procedures are still being handled.

As at 25 February 2022 , there is no events after the balance sheet date to be disclosed.

XII. APPROVAL OF FINANCIAL STATEMENTS

These financial statements and the accompanying notes to the financial statements have been approved by the Company's management on 25 February 2022.

TATA Consultancy Services (China) Co., Ltd.
25 February 2022

TATA CONSULTANCY SERVICES (THAILAND) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2022

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF
TATA CONSULTANCY SERVICES (THAILAND) LIMITED

Opinion

I have audited the financial statements of Tata Consultancy Services (Thailand) Limited (the "Company"), which comprise the statement of financial position as at 31 March 2022, the statements of income and changes in equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022 and its financial performance for the year then ended in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS for NPAEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

(Vilaivan Pholprasert)
Certified Public Accountant
Registration No. 8420

KPMG Phoomchai Audit Ltd.
Bangkok
11 May 2022

Statements of financial position as at 31 March, 2022

(Unit :Baht)

	Note	March 31, 2022	March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	4	**29,045,709**	36,270,914
Trade accounts receivable	5	**75,138,104**	64,494,873
Unbilled contract work in progress	6	**100,738,952**	65,731,028
Other receivables	7	**2,784,962**	707,980
Other current assets	8	**23,130,668**	20,815,862
Total current assets		**230,838,395**	188,020,657
Non-current assets			
Equipment	9	**5,698,332**	3,096,514
Refundable deposits		**719,280**	215,040
Total non-current assets		**6,417,612**	3,311,554
TOTAL ASSETS		**237,256,007**	191,332,211
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	10	**161,922,631**	85,193,036
Excess of progress billings over contract work in progress	6	**30,302,953**	37,568,689
Total current liabilities		**192,225,584**	122,761,725
Non - Current Liability			
Provision for retirement benefits	11	**5,566,068**	4,252,358
Total Non-current liability		**5,566,068**	4,252,358
TOTAL LIABILITIES		**197,791,652**	127,014,083
Equity			
Share capital			
Authorized share capital (800,000 ordinary shares, par value at baht 10 per share)		**8,000,000**	8,000,000
Issued and paid-up share capital (800,000 ordinary shares, par value at Baht 10 per share)		**8,000,000**	8,000,000
Retained earnings			
Appropriated to legal reserve	12	**800,000**	800,000
Unappropriated		**30,664,355**	55,518,128
Total equity		**39,464,355**	64,318,128
TOTAL LIABILITIES AND EQUITY		**237,256,007**	191,332,211

The accompanying notes are an integral part of these financial statements.

Statements of income for the year ended 31 March 2022

(Unit :Baht)

	Note	March 31, 2022	March 31, 2021
REVENUE			
Revenue from rendering of services		**483,565,885**	437,206,349
Net foreign exchange gain		**6,221**	-
Interest income		**11,302**	11,499
TOTAL REVENUE		**483,583,408**	437,217,848
EXPENSES			
Cost of rendering of services		**408,889,330**	325,414,133
Selling expenses		**54,868**	119,706
Administrative expenses	13	**59,542,052**	55,119,931
Net foreign exchange loss		**-**	1,633,685
TOTAL EXPENSES		**468,486,250**	382,287,455
PROFIT BEFORE INCOME TAX EXPENSE		**15,097,158**	54,930,393
Income tax expense		**2,350,931**	11,868,780
PROFIT FOR THE YEAR		**12,746,227**	43,061,613
Basic earnings per share (in Baht)	15	**15.93**	53.83

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 March 2022

(Unit :Baht)

	Note	Issued and paid-up share capital	Retained earnings		Total equity
			Appropriated to legal reserve	Unappropriated	
Year ended 31 March 2021					
Balance at 1 April 2020		8,000,000	800,000	46,056,515	54,856,515
Profit for the year		-	-	43,061,613	43,061,613
Dividend	16	-	-	(33,600,000)	(33,600,000)
Balance at 31 March 2021		8,000,000	800,000	55,518,128	64,318,128
Year ended 31 March 2022					
Balance at 1 April 2021		**8,000,000**	**800,000**	**55,518,128**	**64,318,128**
Profit for the year		**-**	**-**	**12,746,227**	**12,746,227**
Dividend	16	**-**	**-**	**(37,600,000)**	**(37,600,000)**
Balance at 31 March 2022		**8,000,000**	**800,000**	**30,664,355**	**39,464,355**

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2022

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorized for issue by the directors on 11th May 2022.

1 GENERAL INFORMATION

Tata Consultancy Services (Thailand) Limited, the "Company", is incorporated in Thailand on 12 May 2013 and has its registered office at 32/46 Sino-Thai Tower, 18th Floor, Sukhumvit 21 Road (Asoke), Klongtoey-Nue, Wattana, Bangkok.

The parent company and ultimate parent company during the financial year were Tata Consultancy Services Asia Pacific Pte. Ltd. and Tata Consultancy Services Limited, which were incorporated in Singapore and India, respectively.

The principal activities of the Company are IT consulting, software solutions and IT outsourcing services.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs) and guidelines promulgated by the Federation of Accounting Professions.

In addition, the Company has complied Thai Financial Reporting for Publicly Accountable Entities ("TFRS for PAEs") as follows:

TFRS	Topic
TAS 33	Earnings per share

The financial statements are prepared and presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgments, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the exchange rates at that date. Gains or losses arising on translation are recognized in the statement of income.

Non-monetary assets and liabilities arising from foreign currency translations that are measured at cost are translated to Thai Baht at the exchange rates at the dates of the transactions.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances held in current accounts and short-term fixed deposits in bank.

(c) Trade and other receivables

Trade and other receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment. Bad debts are written off when incurred. Bad debts recovered are recognized in other income in the statement of income.

(d) Contract work in progress

Unbilled contracts work in progress represents the gross unbilled amount expected to be collected from customers. Unbilled contract work in progress measured at cost of contract work plus profit recognized to date (see note 3(i)) less progress billings and recognized losses. Cost of contract work includes all expenditure related to specific contracts.

Revenue from rendering of services that is recognized for which contract billings are undue is presented as "unbilled contract work in progress" under current assets in the statement of financial position. If progress billing exceeds recognized revenue, then the difference is presented as "excess of progress billings over contract work in progress" under current liabilities in the ·statement of financial position.

(e) Equipment

Owned assets

Equipment are measured at cost less accumulated depreciation and losses on decline in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Any gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment and are recognized in statement of income.

Subsequent costs

The cost of replacing a part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in statement of income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount which excludes assets under construction, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each component of an item of equipment. The estimated useful lives are as follows:

Furniture, fixtures and office equipment	4 - 5	years

(f) Losses on decline in value

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised if the carrying amount of an asset exceeds its recoverable amount. The loss on decline in value is recognised in the statement of income.

(g) Trade and other payables

Trade and other payables are stated at cost.

(h) Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate method.

Provision for retirement benefits

Provision for retired benefits are recognised using the best estimate method at the reporting date. The Company derecognises the provision when actual payment is made.

(i) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Services rendered

Service income is recognised as services are provided.

Contract revenue

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the statement of income in proportion to the stage of completion of the contract.

The stage of completion is assessed based on cost-to-cost method. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the statement of income.

Impact of COVID-19

While the Company believes strongly that it has a rich portfolio of services to partner with customers, the impact on future revenue streams could come from

- The inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers
- Prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
- Customers not in a position to accept alternate delivery nodes using Secured Borderless Workspaces
- Customers postponing their discretionary spend due to change in priorities.

The Company has assessed that customers in retail, travel, transportation and hospitality, energy and manufacturing verticals are more prone to immediate impact due to disruption in supply chain and drop in demand while customers in banking, financial services and insurance would re-priorities their discretionary spend in immediate future to conserve resources and assess the impact that they would have due to dependence of revenues from the impacted verticals. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays and increased cost in meetings its obligations. Such impact could be in the form of provision for onerous contracts or resetting of revenue recognition in fixed price contracts where revenue is recognized on percentage completion basis. The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions such as engaging with the customers to agree on revised Service Level Agreements (SLAs) in light of current crisis, invoking of force-majeure clause etc., to ensure that revenue recognition in such cases reflect realizable values.

(j) Expenses

Operating leases

Payments made under operating leases are recognised on a straight-line basis over the term of the lease. Contingent rentals are recognised as expense in the accounting period in which they are incurred.

(k) Income tax

Income tax is calculated on the taxable income or loss for the year, using tax rates enacted at the reporting date.

(l) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Back to content

4. CASH AND CASH EQUIVALENTS

(Unit : in thousand Baht)

	2022	2021
Cash at banks - current accounts	**7,043**	6,311
Cash at bank - short term fixed deposits	**22,003**	29,960
Total	**29,046**	36,271

5. TRADE ACCOUNTS RECEIVABLE

(Unit : in thousand Baht)

	2022	2021
Related parties	**8,785**	7,375
Other parties	**66,353**	60,146
Total	**75,138**	67,521
Less allowance for doubtful accounts	**-**	(3,026)
Net	**75,138**	64,495
(Reversal of) bad and doubtful debts expense for the year	**(3,026)**	(744)

The normal credit term granted by the Company ranges from 30 days to 60 days.

6. UNBILLED CONTRACT WORK IN PROGRESS AND EXCESS OF PROGRESS BILLINGS OVER CONTRACT WORK IN PROGRESS

The Company has outstanding contract assets and contract liabilities with customers were as follow:

(Unit : in thousand Baht)

	2022	2021
UNBILLED CONTRACT WORK IN PROGRESS		
At 1 April	**54,601**	4,733
Amount recognised as revenue on percentage of completion basis during the year	**92,492**	111,939
Less: value of total billed during the year	**(54,627)**	(62,071)
	92,466	54,601
Unbilled contract work in progress from other revenues	**8,273**	11,130
At 31 March	**100,739**	65,731
EXCESS OF PROGRESS BILLING OVER CONTRACT WORK IN PROGRESS		
At 1 April	**37,569**	8,471
Value of total billed during the year	**30,245**	185,026
Less: Amount recognised as revenue on percentage of completion basis during the year	**(37,511)**	(155,928)
	30,303	37,569
Excess of progress billing over contract work in progress from other revenues	**-**	-
At 31 March	**30,303**	37,569

7. OTHER RECEIVABLES

(Unit : in thousand Baht)

	2022	2021
Advance to employees	**2,347**	662
Advance to suppliers	**438**	46
Total	**2,785**	708

8. OTHER CURRENT ASSETS

(Unit : in thousand Baht)

	2022	2021
Deferred expenses	**12,206**	12,868
Refundable withholding tax	**10,811**	7,257
Others	**114**	691
Total	**23,131**	20,816

9. EQUIPMENT

(Unit :in thousand Baht)

	Furniture, fixture and office equipment	Assets under construction	Total
Cost			
At 1 April 2020	4,333	-	4,333
Additions	2,369	298	2,667
At 31 March 2021 and 1 April 2021	**6,702**	**298**	**7,000**
Additions	**4,294**	**117**	**4,411**
Disposals	**(1,405)**	**(298)**	**(1,703)**
At 31 March 2022	**9,591**	**117**	**9,708**
Depreciation			
At 1 April 2020	3,034	-	3,034
Depreciation charge for the year	870	-	870
At 31 March 2021 and 1 April 2021	**3,904**	**-**	**3,904**
Depreciation charge for the year	**1,469**	**-**	**1,469**
Disposals	**(1,363)**	**-**	**(1,363)**
At 31 March 2022	**4,010**	**-**	**4.010**
Net book value			
At 31 March 2021	2,798	298	3,096
At 31 March 2022	**5,581**	**117**	**5,698**

The gross carrying amounts of the Company's fully depreciated equipment that was still in use at 31 March 2022 amounted to Baht 4.9 million (2021: Baht 4.7 million).

10. TRADE AND OTHER PAYABLES

(Unit : in thousand Baht)

	2022	2021
Trade payables - related parties	**103,535**	25,214
Accrued operation expenses	**31,366**	29,891
Trade payables - other parties	**12,421**	11,707
Provision for accumulated leave	**7,399**	5,472
Accrued bonus	**7,202**	7,195
Income tax payable	**-**	5,714
Total	**161,923**	85,193

11. PROVISION FOR RETIREMENT BENEFITS

(Unit : in thousand Baht)

	2022	2021
At 1 April	**4,252**	2,430
Additions	**1,314**	1,822
At 31 March	**5,566**	4,252

12. LEGAL RESERVE

Legal reserve is set up under the provision of the Civil and Commercial Code, which requires that a company shall allocate not less than 5% of its net profit to a reserve account ("legal reserve") upon each dividend distribution, until the balance reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

13. ADMINISTRATIVE EXPENSES

(Unit : in thousand Baht)

	2022	2021
Employee benefit expenses	**38,309**	31,987
Facility expenses	**1,554**	119
Professional fees	**1,187**	1,493
Recruitment expenses	**855**	292
Travelling expenses	**825**	739
Depreciation expenses	**776**	1,277
Communication expenses	**270**	168
Reversal of bad and doubtful debts	**(3,026)**	(744)
Others	**18,792**	19,789
Total	**59,542**	55,120

14. EMPLOYEE BENEFIT EXPENSES

(Unit : in thousand Baht)

	2022	2021
Salaries and overtime and bonuses	**220,711**	175,395
Contribution to defined contribution plan	**3,854**	3,615
Provision for employee benefits	**1,314**	1,822
Others	**2,022**	4,660
Total	**227,901**	185,492

The define contribution plan comprises a provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates 5% of their basic salaries and by the Company at rates 5% of the employee's basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

15. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share for the years ended 31 March 2022 and 2021 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

(in thousand Baht / thousand shares)

	2022	2021
Profit attributable to ordinary shareholders of the Company	**12,746**	43,062
Number of ordinary shares outstanding	**800**	800
Basic earnings per share (in Baht)	**15.93**	53.83

16. DIVIDENDS

The board of directors of the Company have approved dividends as follows:

Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
17 February 2022	**March 2022**	**47.00**	**37,600**
10 March 2021	March 2021	42.00	33,600

17. COMMITMENTS

(Unit : in thousand Baht)

	2022	2021
Non-cancellable operating lease commitments		
Within 1 year	**2,398**	358
1 - 5 years	**3,796**	-
Total	**6,194**	358

As at 31 March 2022, the Company had operating lease agreements covering its office premises and service for the periods 3 years expiring on various dates up to 31-October 2024.

Impact of COVID-19

The Company does not foresee any large-scale contraction in demand which could result in significant downsizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as delivery centers and sales office are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

PT TATA CONSULTANCY SERVICES INDONESIA

ANNUAL FINANCIAL STATEMENTS

For the year ended
March 31, 2022

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Board of Directors' Statement of Responsibility

For the Financial Statements
Year ended 31 March 2022
PT Tata Consultancy Services Indonesia ("The Company")

I, the undersigned:

Name:	Bhavin Zaveri
Office Address:	Gedung Menara Prima Lantai 16,
	Unit F, Jl. DR. Ide Anak Agung Gde Agung Blok 6.2
	Kuningan Jakarta Selantan 12950
Office Telephone:	021 57947951
Function:	Director

declare that:

1. I am responsible for the preparation and presentation of the financial statements of the Company;
2. The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. The disclosures I have made in the financial statements are complete and accurate;
   b. The financial statements do not contain misleading information, and I have not omitted any information or facts that would be material to the financial statements; and
4. I am responsible for the internal control.

This statement is made truthfully.

For and on behalf of Board of Directors

11 May 2022

(signature)

(Stamp duty)

Bhavin Zaveri

Director

Independent Auditor's Report

NO : 00286/2.1005/AU.1/05/1694-2/1/V/2022
THE SHAREHOLDERS,
BOARD OF COMMISSIONERS AND BOARD OF DIRECTOR
PT TATA CONSULTANCY SERVICES INDONESIA:

We have audited the accompanying financial statements of PT Tata Consultancy Services Indonesia, which comprise the statement of financial position as of 31 March 2022, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PT Tata Consultancy Services Indonesia as of 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Siddharta Widjaja & Rekan
Registered Public Accountants

Angga Pujaprayoga, CPA
Public Accountant License No. AP. 1694

11 May 2022

Statement of Financial Position

(In millions of Rupiah)

	Notes	March 31, 2022	March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	4	**15,046**	11,761
Trade and other receivables, net	5	**38,624**	43,504
Contract assets	10	**65,849**	50,373
Prepaid value added taxes		**5,731**	3,017
Prepayments and advances		**4,517**	5,839
Total current assets		**129,767**	114,494
Non-current assets			
Fixed assets, net		**1,757**	383
Claims for tax refund	13a	**16,835**	21,693
Deferred tax assets, net	13e	**5,359**	3,208
Refundable deposits		**176**	39
Total non-current assets		**24,127**	25,323
TOTAL ASSETS		**153,894**	139,817
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	6	**75,361**	60,841
Unearned revenue	7	**5,436**	13,371
Income tax payable	13b	**4,463**	1,477
Other taxes payable		**2,450**	2,974
Short-term employee benefits obligation	8	**332**	125
Lease liabilities		**471**	-
Total current liabilities		**88,513**	78,788
Non-current liabilities			
Employee benefits obligation	8	**4,772**	3,677
Total non-current liabilities		**4,772**	3,677
TOTAL LIABILITIES		**93,285**	82,465
Equity			
Share capital	9	**1,003**	1,003
Retained earnings			
Appropriated	9	**201**	201
Unappropriated		**59,405**	56,148
Total equity		**60,609**	57,352
TOTAL LIABILITIES AND EQUITY		**153,894**	139,817

See Notes to the Financial Statements, which form an integral part of these financial statements.

Statement Of Profit or Loss and Other Comprehensive Income

(In millions of Rupiah)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	10	**189,287**	174,209
Cost of revenue	11	**(123,935)**	(119,239)
GROSS PROFIT		**65,352**	54,970
General and administrative expenses	12	**(22,930)**	(16,778)
Impairment loss on trade receivables and contract assets		**(2,550)**	(6,075)
Currency exchange (loss) gain, net		**(175)**	143
		(25,655)	(22,710)
OPERATING PROFIT		**39,697**	32,260
Finance income		**206**	639
PROFIT BEFORE TAX		**39,903**	32,899
Income tax expense	13c	**(15,089)**	(8,386)
PROFIT		**24,814**	24,513
TOTAL OTHER COMPREHENSIVE LOSS			
Items that will not be reclassified to profit or loss			
Changes resulting from actuarial remeasurements of employee benefits obligation		**(57)**	(311)
Tax on other comprehensive loss	13e	**13**	68
TOTAL OTHER COMPREHENSIVE LOSS		**(44)**	(243)
TOTAL COMPREHENSIVE INCOME		**24,770**	24,270

See Notes to the Financial Statements, which form an integral part of these financial statements.

Statement of Changes In Equity

(In millions of Rupiah)

	Notes	Share capital	Retained earnings		Total equity
			Unappropriated	Appropriated	
Balance as of 31 March 2020		1,003	55,678	201	56,882
Comprehensive income - 2021					
Profit		-	24,513	-	24,513
Other comprehensive loss		-	(243)	-	(243)
Distributions to shareholders - cash dividends	14	-	(23,800)	-	(23,800)
Balance as of 31 March 2021		1,003	56,148	201	57,352
Comprehensive income - 2022					
Profit		**-**	**24,814**	**-**	**24,814**
Other comprehensive loss		**-**	**(44)**	**-**	**(44)**
Distributions to shareholders - cash dividends	14	**-**	**(21,513)**	**-**	**(21,513)**
Balance as of 31 March 2022		**1,003**	**59,405**	**201**	**60,609**

See Notes to the Financial Statements, which form an integral part of these financial statements.

Statement of Cash Flows

(In millions of Rupiah)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit		**24,814**	24,513
Adjustments for:			
Depreciation	11,12	**548**	145
Additional of impairment loss of trade receivables and contract assets	5,16	**2,550**	5,775
Finance income		**(206)**	(639)
Income tax expense	13c	**15,089**	8,386
Changes in:			
Trade and other receivables, net		**2,330**	23,649
Contract assets		**(15,476)**	(50,373)
Prepaid value added taxes		**(2,714)**	(3,017)
Prepayments and advances		**1,322**	(2,662)
Claims for tax refund		**4,858**	326
Refundable deposits		**(137)**	-
Trade and other payables		**14,520**	719
Unearned revenue		**(7,935)**	683
Other taxes payable		**(524)**	(688)
Short-term employee benefits obligation		**207**	125
Lease liabilities		**471**	-
Employee benefits obligation		**1,038**	829
Interest received		**206**	639
Income tax refund		**-**	-
Income tax paid		**(14,241)**	(9,016)
Net cash from (used in) operating activities		**26,720**	(606)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of fixed assets		**(1,754)**	(185)
Proceeds from sale of fixed assets		**20**	-
Net cash used in investing activities		**(1,734)**	(185)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Payment of lease liabilities		**(188)**	-
Dividends paid	14	**(21,513)**	(23,800)
Net cash used in financing activities		**(21,701)**	(23,800)
NET INCREASE (DECREASE) IN CASH IN BANKS AND CASH EQUIVALENTS		**3,285**	(24,591)
CASH IN BANKS AND CASH EQUIVALENTS, BEGINNING OF YEAR		**11,761**	36,352
CASH IN BANKS AND CASH EQUIVALENTS, END OF YEAR	4	**15,046**	11,761

See Notes to the Financial Statements, which form an integral part of these financial statements.

Notes forming part of Financial Statements

1. GENERAL

a. PT Tata Consultancy Services Indonesia (the "Company") was established in the Republic of Indonesia in 2006.

The Company's office is located at Gedung Menara Prima #16 Unit F, Jl. DR. Ide Anak Agung Gde Agung Blok 6.2, Kuningan, Jakarta Selatan 12950.

b. The Company is engaged in the Information Technology (IT) services, consulting and business solutions.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK").

b. The Company's Director approved the financial statements for issuance on 11 May 2022.

c. Basis of measurement

The financial statements are prepared on the accrual basis using the historical cost concept, except where the accounting standards require fair value measurement.

d. Functional and presentation currency

The financial statements are presented in Rupiah, rounded to the nearest million, which is the Company's functional currency.

e. Use of judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimated amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

(i) Judgments

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in Note 10 – revenue recognition: contractual performance obligations, timing of revenue recognition and revenue classification.

(ii) Assumptions and estimation uncertainties

Information about the assumptions and estimation uncertainties that may result in a material adjustment to the carrying amounts of assets and liabilities in the following year is included in the following notes:

- Note 8 – Employee benefits obligation
- Note 13a – Claims for tax refund

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied to the periods presented in these financial statements.

a. Cash equivalents

Short-term time deposits with original maturities of three months or less are considered as cash equivalents.

b. Fixed assets

Fixed assets are measured using the cost model, i.e. initially measured at cost and subsequently carried net of accumulated depreciation and accumulated impairment losses. Depreciation is applied using the straight-line method over the estimated useful lives of the assets as follows:

Computers	:	4 years
Installations	:	2 years
Office equipment	:	5 - 10 years
Furniture and fixtures	:	5 - 10 years
Leasehold improvement	:	lease period

c. Impairment of non-financial assets

The carrying amount of the each cash-generating unit ("CGU") within non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets. Impairment losses are recognized in profit or loss.

The recoverable amount of a CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

d. Post-employment benefits

The obligation for post-employment benefits is calculated at the present value of estimated future benefits that the employees have earned in return for their services in the current and prior periods. The calculation is performed by a qualified actuary using the project unit credit method.

Gains or losses arising from actuarial remeasurement of the net defined benefit liability are recognized immediately in other comprehensive income. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

e. Financial instruments

(i) Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or, fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The financial assets that are measured at amortized cost consist of cash in banks and cash equivalents, trade and other receivables and refundable deposits. These financial assets are initially recognized at fair value plus directly attributable transaction costs, and subsequently are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Gains or losses on derecognition of these financial assets are recognized in profit or loss.

(ii) Financial liabilities

Financial liabilities are classified as either measured-at-amortized cost, or at FVTPL. A FVTPL financial liability is measured as such if it is classified as held-for-trading, if it is a derivative, or if it is designated as measured-at-FVTPL on initial recognition.

Trade and other payables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Gains or losses on derecognition are also recognized in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred: i.e. when control over the financial asset is relinquished.

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In transactions where a financial asset is transferred but the risks and rewards associated with ownership are somehow retained the transferred asset is not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or otherwise extinguished. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability, based on the modified terms, is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(v) Impairment

The Company recognizes loss allowances for expected credit loss ("ECL") on financial assets measured at amortized cost.

Measurement of ECLs

ECLs are a probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The Company measures loss allowances at an amount that reflects the lifetime ECL, except for cash in banks and cash equivalents and refundable deposits for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, wherein the loss allowances are determined based on the 12-month ECL.

Loss allowances for trade and other receivables, and for contract assets that are measured at amortized cost, are measured at an amount that represents the lifetime ECL.

f. Leases

At inception of a contract, the Company determines if a contract is, or contains, a lease by considering whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. A contract conveys the right to control the use of an identified asset if all of the following conditions are met:

- the contract involves the use of substantially all of the capacity of an identified asset that is physically distinct (as specified explicitly or implicitly in the contract). If the supplier has a substantive substitution right, then the asset cannot be considered as identifiable;
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset: i.e. it has decision-making rights that are most relevant to changing how and for what purpose the asset is used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of fixed assets. In addition, the right-of-use asset is periodically reduced by impairment losses if any and adjusted for certain remeasurements (as described below) of

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the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability consist of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an option renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase option, a term extension option or a termination option.

When the lease liability is measured this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company's right-of-use assets are presented as "Fixed assets". The lease liability are presented as "Lease liabilities" in the statement of financial position.

g. Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when in transfers control over a product or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product / service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Consultancy, maintenance and support services	Invoices are issued on a basis of contractual terms and are usually payable within 30 - 90 days.	Revenue is recognized based on time elapsed mode and revenue is straight lined over the period of performance.
Time and material and job contracts	Invoices are issued on a monthly basis and are usually payable within 30 - 90 days.	Revenue is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
Fixed price contracts	Invoices are issued on the basis contractual milestone and are usually payable within 30 - 90 days.	Revenue is recognized 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.

Third party hardware or software Internally developed software and manufactured systems (collectively termed as "products")	Customers obtain control of the products when the products are delivered to the customer's premises. Invoices are generated and revenue is recognized at that point in time. Invoices are usually payable within 30 – 90 days.	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.

Contract assets are recognized when there is excess of revenue 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 revenue is recognized when there is billings in excess of revenues.

h. Foreign currency transactions

Transactions in foreign currencies are translated to the Company's functional currency (Rupiah) at the rates of exchange prevailing at transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange rate at the reporting date. Foreign currency gains or losses on monetary items are comprised of the difference between amortized cost measured in the functional currency at the beginning of the period as adjusted for effective interest and payments during the period, and the amortized cost measured in foreign currency translated at the exchange rate at reporting date.

Non-monetary assets and liabilities denominated in a foreign currency that are measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency gains and losses on retranslation of monetary assets and liabilities that arise from operating activities are generally recognized in profit or loss.

i. Finance income

Finance income comprises interest income on funds invested in banks.

j. Income tax

Income tax expense consist of current and deferred corporate income tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax expense is the amount of tax paid, or payable on taxable income or loss for the year, using tax rates substantively enacted as of the reporting date, and includes true-up adjustments made to the previous years' tax provisions either to reconcile them with the income tax reported in annual tax returns, or to account for differences arising from tax assessments. Current tax expense is measured using the best estimate of the amount expected to be paid or received, taking into consideration the uncertainty associated with the complexity of tax regulations.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted as of the reporting date. This accounting policy also requires the recognition of tax benefits, such as tax loss carry forwards, which are originated in the current period that are expected to be realized in the future periods, to the extent that realization of such benefits is probable.

Deferred tax assets represent the net remaining balance of deferred tax benefits that have been originated and utilized through the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

4. CASH IN BANKS AND CASH EQUIVALENTS

(In millions of Rupiah)

	As at March 31, 2022	As at March 31, 2021
Cash in banks	**8,546**	8,011
Short-term time deposits in Rupiah	**6,500**	3,750
	15,046	11,761

5. TRADE AND OTHER RECEIVABLES, net

(In millions of Rupiah)

	As at March 31, 2022	As at March 31, 2021
Trade receivables resulting from revenue generation activities consist of the following:		
Third parties	**50,571**	53,303
Related parties (Note 15d)	**1,070**	572
	51,641	53,875
Other third parties receivables	**616**	712
Total trade and other receivables	**52,257**	54,587
Less: provision for impairment of trade receivables	**(13,633)**	(11,083)
Total trade and other receivables, net	**38,624**	43,504

6. TRADE AND OTHER PAYABLES

(In millions of Rupiah)

	As at March 31, 2022	As at March 31, 2021
Trade payables:		
Related parties (Note 15d)	**19,720**	7,729
Third parties	**4,293**	6,184
	24,013	13,913
Other payables and accrued expenses:		
Technical services (Note 15d)	**37,438**	35,855
Employees' salaries and other compensation	**8,688**	4,466
Professional fees	**1,898**	522
Royalty (Note 15d)	**463**	431
Others (include to a related party)	**2,861**	5,654
	51,348	46,928
	75,361	60,841

7. UNEARNED REVENUE

(In millions of Rupiah)

	As at March 31, 2022	As at March 31, 2021
Balance at 1 April	**13,371**	12,688
Billings during the year	**5,436**	104,418
Revenue recognized during the year	**(13,371)**	(103,735)
Balance at 31 March	**5,436**	13,371

8. EMPLOYEE BENEFITS OBLIGATION

In accordance with Indonesian labor regulations, the Company is required to provide certain post-employment benefits to its employees when their employment is terminated or when they retire. These benefits are primarily based on years of service and the employees' compensation at termination or retirement.

The following table reflects the balance of the obligation for post-employment benefits as of the reporting dates, as well as the movements in the obligation, and the expense recognized during 2022 and 2021:

(In millions of Rupiah)

	As at March 31, 2022	As at March 31, 2021
Movement in the defined benefit obligation		
Defined benefit obligation, beginning of year	**3,802**	2,537
- Past service cost	**(383)**	(251)
- Current service cost	**1,375**	1,020
- Interest cost	**256**	189
Included in other comprehensive income		
Actuarial losses (gains) arising from:		
- financial assumptions	**62**	110
- experience adjustment	**(5)**	201
Others		
- Benefits paid	**(3)**	(4)
Defined benefit obligation, end of year	**5,104**	3,802
Short-term employee benefits obligation	**(332)**	(125)
Employee benefits obligation	**4,772**	3,677

Actuarial assumptions

Principal assumptions used in the actuarial calculations were as follows:

	2022	2021
Discount rate	**3.18%-7.34% per annum**	4.06%-7.55% per annum
Future salary increase rate	**7.00% per annum**	7.00% per annum

At 31 March 2022, the weighted-average duration of the defined benefit obligation was 17.41 years (2021: 14.68 years).

The discount rate is used in determining the present value of the benefit obligation at valuation date. In general, the discount rate correlates with the yield on high quality zero coupon government bonds that are traded in active capital markets at the reporting date.

The future salary increase assumptions projects the benefit obligation starting from the valuation date through the normal retirement age. The salary increase rate is generally determined by applying inflation adjustments to pay scales, and by taking account of the length of service.

Sensitivity analysis

It is reasonably possible that the key actuarial assumptions applied in estimating the post-employment benefits may turn out to be different than expected. The range of such reasonably expected variability would affect the defined benefit obligation at the reporting date by the following amounts:

(In millions of Rupiah)

	2022		2021	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	**(513)**	**604**	(347)	403
Future salary increase rate	**599**	**(518)**	400	(351)

This analysis depicts the approximate sensitivity of the benefits obligation to a reasonably possible change in assumptions, but does not take account of the variability in the timing of the distribution of benefit payments expected under the plan.

9. SHARE CAPITAL AND APPROPRIATED RETAINED EARNINGS

As of 31 March 2022 and 2021, the Company's authorized share capital amounted to Rp 2,508 million (250 shares at a nominal value of Rp 10,030,000 (whole Rupiah) or USD 1,000 per share), of which amounted to Rp 1,003 million (100 shares at a nominal value of Rp 10,030,000 (whole Rupiah) or USD 1,000 per share) have been fully issued and paid-up by the following shareholders:

	Nominal value			
Shareholders	**Number of shares**	**In millions of Rupiah**	**USD**	**%**
Tata Consultancy Services Asia Pacific Pte., Ltd, Singapore	99	993	99,000	99%
Tata Consultancy Services Malaysia Sdn., Bhd, Malaysia	1	10	1,000	1%
	100	1,003	100,000	100%

Based on the General Shareholders' Meeting, the Company established a statutory reserve of 20% of the issued and paid up share capital amounting to Rp 201 million in accordance with the Indonesian Limited Liability Company Law.

10. REVENUE

(In millions of Rupiah)

	As at March 31, 2022	As at March 31, 2021
Rendering of consultancy, maintenance and support services (timing on revenue recognition: overtime):		
Third parties	**181,615**	172,538
Related parties (Note 15a)	**4,000**	1,671
	185,615	174,209
Sales of hardware and software (timing on revenue recognition: point in time):		
Third parties	**3,672**	-
	189,287	174,209

The contract assets primarily relate to the Company's right for consideration for work completed but not billed at the reporting date for its consultancy services. The following table provide information about contract assets from contracts with customers:

(In millions of Rupiah)

	As at March 31, 2022	As at March 31, 2021
Balance 1 April	**50,373**	36,519
Recognized as revenue	**189,417**	174,793
Transferred to receivables	**(173,941)**	(160,939)
Balance 31 March	**65,849**	50,373

11. COST OF REVENUE

(In millions of Rupiah)

	As at March 31, 2022	As at March 31, 2021
Professional fees	**56,087**	70,351
Employees' salaries and other compensation	**43,675**	34,741
Project	**19,547**	12,759
Hardware and software	**3,304**	-
Others	**1,322**	1,388
	123,935	119,239

12. GENERAL AND ADMINISTRATIVE EXPENSES

(In millions of Rupiah)

	As at March 31, 2022	As at March 31, 2021
Employees' salaries and other compensation	**18,275**	14,062
Professional fees	**1,716**	778
Travel	**578**	328
Communication	**515**	431
Utilities	**476**	607
Others	**1,370**	572
	22,930	16,778

13. TAXATION

a. Claims for tax refund consist of:

(In millions of Rupiah)

	Year ended March 31, 2022	Year ended March 31, 2021
Corporate income tax:		
Fiscal year 2013	**-**	4,858

Fiscal year 2017	**16,686**	16,686
Value added tax:		
Fiscal year 2017	**149**	149
	16,835	21,693

Corporate income tax (CIT) - fiscal year 2013

The 2013 CIT overpayment case is being processed at the Supreme Court following a judicial review filed by the Company disputing the amount of Rp 4,858 million on 5 February 2020. As of 31 March 2022, the Company recognized a full provision for this tax dispute. As of the issuance of these financial statements, no verdict on the judicial review has been issued yet.

Corporate income tax (CIT) - fiscal year 2017

The 2017 CIT overpayment case is being processed at the Tax Court following an appeal filed by the Company disputing the amount of Rp 16,686 million on 30 December 2020. As of the issuance of these financial statements, no verdict has been issued on the Company's appeal. The CIT refunds shortfall of Rp 16,686 million was recorded as part of claims for tax refund as of 31 March 2022 as management believes that the Company will prevail in sustaining its tax position.

Value added tax (VAT) - fiscal year 2017

The 2017 VAT underpayment case is being processed at the Tax Court following an appeal filed by the Company disputing the amount of Rp 149 million on 17 December 2020. As of the issuance of these financial statements, no verdict has been issued on the Company's appeal. The VAT underpayment of Rp 149 million was recorded as part of claims for tax refund as of 31 March 2022 as management believes that the Company will prevail in sustaining its tax position.

These amounts have been presented as non-current assets in the financial statements, considering the uncertainly over the amount of time that it will take to recover the claim.

b. Income tax payable consist of:

(In millions of Rupiah)

	Year ended March 31, 2022	Year ended March 31, 2021
Corporate income tax	**3,944**	1,161
Income tax installments, article 25	**519**	316
	4,463	1,477

c. The components of income tax recognized in profit or loss are as follows:

(In millions of Rupiah)

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax expense:		
Current year	**12,369**	9,192
Provision for the 2013 corporate income tax	**4,858**	-
Adjustments to prior years' tax expense	**-**	554
	17,227	9,746
Deferred tax (expense) benefit:		
Origination and reversal of temporary differences	**(2,138)**	(1,613)
Effect of change in statutory tax rate	**-**	253
	15,089	8,386

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d. Income tax expense is reconciled with profit before tax as follows:

(In millions of Rupiah)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	**39,903**	32,899
Statutory tax rate	**22%**	22%
	8,779	7,238
Non deductible expenses	**1,452**	341
Effect of change in statutory tax rate	**-**	253
Provision for the 2013 corporate income tax	**4,858**	-
Adjustments to prior years' tax expense	**-**	554
Income tax expense	**15,089**	8,386

e. Recognized deferred tax balances and the movement thereof during the year were comprised of the following:

(In millions of Rupiah)

	Year ended March 31, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Year ended March 31, 2022
Deferred tax assets (liabilities):				
Provision for impairment of trade receivables and contract assets	**2,500**	**505**	**-**	**3,005**
Accrued expenses	**(128)**	**1,364**	**-**	**1,236**
Employee benefits obligation	**836**	**273**	**13**	**1,122**
Fixed assets	**-**	**(4)**	**-**	**(4)**
Deferred tax assets, net	**3,208**	**2,138**	**13**	**5,359**

(In millions of Rupiah)

	Year ended March 31, 2020	Recognized in profit or loss	Recognized in other comprehensive income	Effect of changes in tax rate	Year ended March 31, 2021
Deferred tax assets (liabilities):					
Provision for impairment of trade receivables and contract assets	1,358	1,277	-	(135)	2,500
Accrued expenses	(147)	19	-	-	(128)
Employee benefits obligation	676	210	68	(118)	836
Fixed assets	(107)	107	-	-	-
Deferred tax assets, net	1,780	1,613	68	(253)	3,208

The temporary difference that give rise to the deferred tax asset for the provision for impairment of trade receivables does not expire, however before such provision can be deductible the Company must provide evidence that the receivables are not collectible, and thereby must write off the uncollectible balances. Management believes that the Company will be able to provide evidence that the receivables are not collectible as required by the Indonesian Income Tax Law.

f. Under the taxation laws of Indonesia, the Company submits tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within the statute of limitations, under prevailing regulations.

The Company's tax positions may be challenged by the tax authorities. The Company's tax positions are formed on sound technical bases, in compliance with the tax regulations. Accordingly, management believes that no accruals for potential income tax liabilities is necessary. This assessment relies on estimates and assumptions and may involve judgment about future events. New information may become available that causes management to change its judgment. Such changes will impact tax expense in the period in which such determination is made.

g. Pursuant to Law No.2/2020, the corporate income tax rate is reduced from the previous statutory rate of 25% to 22% for fiscal year 2020 and 2021, and to 20% for 2022 onwards. In October 2021, Law No. 7/2021 amended the provision of Law No. 2/2020, in that the statutory tax rate of 22% applies for fiscal year 2022 and onwards.

14. DISTRIBUTIONS TO SHARE HOLDERS

The annual general shareholders' meeting on 17th Feb 2022 declared the distribution of cash dividends of Rp 21,513 million. The dividends were paid on 8th March 2022.

The annual general shareholders' meeting on 10 March 2021 declared the distribution of cash dividends of Rp 23,800 million. The dividends were paid on 25 March 2021.

15. RELATED PARTIES

The Company is ultimately controlled by Tata Sons Limited (incorporated in India).

The Company's parent company is Tata Consultancy Services Asia Pacific Pte., Ltd (incorporated in Singapore) and its intermediate parent is Tata Consultancy Services Limited (incorporated in India).

The Company's entities under common control are Tata Consultancy Services Malaysia Sdn., Bhd (incorporated in Malaysia), Tata Consultancy Services (China) Co., Ltd. and Tata America International Corporation (incorporated in United States).

The following transactions were carried out with related parties:

(a) Revenue

(In millions of Rupiah)

	Year ended March 31, 2022	Year ended March 31, 2021
Consultancy services rendered to (Note 10):		
Intermediate parent	**2,231**	1,592
Parent	**1,769**	79
	4,000	1,671

(b) Purchases of services

(In millions of Rupiah)

	Year ended March 31, 2022	Year ended March 31, 2021
Services provided by:		
Intermediate parent	**58,785**	80,971
Entities under common control	**3,841**	1,695
Parent	**2,801**	1,894
Ultimate parent	**463**	431
	65,890	84,991

(c) Key management compensation

Key management includes members of Board of Directors and Board of Commissioners. The following reflects the compensation paid or payable to key management individuals for services rendered in their capacity as employees:

(In millions of Rupiah)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and other short-term benefits	**2,073**	1,801

(d) Year-end balances

(In millions of Rupiah)

	Year ended March 31, 2022	Year ended March 31, 2021
Receivables from (Note 5):		
Intermediate parent	**835**	572
Parent	**235**	-
	1,070	572
Contract assets from:		
Parent	**359**	-
Intermediate parent	**102**	80
	461	80
Payables to (Note 6):		
Intermediate parent	**48,043**	40,370
Entities under common control	**5,860**	2,023
Parent	**3,277**	1,214
Ultimate parent	**463**	431
	57,643	44,038

16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments

The Company's financial assets and liabilities are expected to be realized, or settled in the near term. Therefore, their carrying amounts approximate their fair values.

Financial risk management

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and currency risk.

Credit risk

Credit risk is the risk of financial loss in the event that a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk principally arises from trade receivables from customers.

The carrying amounts of financial assets represent the maximum credit exposure.

Trade and other receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company minimizes its exposure to credit risk of trade receivables and contract assets by assessing and monitoring the credit worthiness of customers. The exposure is also further limited by mandating payment terms of no longer than 30 days and by actively enforcing collection from customers prior to the due date.

The Company's most significant customer, an Indonesian State Owned and Commercial Bank, PT Bank Negara Indonesia (Persero), TBK., accounts for Rp 14,314 million of the trade receivables carrying amount at 31 March 2022 (2021: Rp 15,034 million, PT Bank Negara Indonesia).

An analysis of the credit quality of trade and other receivables and contract assets is summarized below:

(In millions of Rupiah)

	As at March 31, 2022	As at March 31, 2021
	Carrying amount	Carrying amount
Not past due	**71,951**	50,695
Past due:		
Less than 90 days	**26,574**	40,078
91 days to 1 year	**5,832**	2,665
1 year and above	**116**	439
	104,473	93,877

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables and contract assets as at 31 March 2022 and 2021:

(In millions of Rupiah)

	31 March 2022		
	Weighted average loss rate	Gross carrying amount	Loss allowance
Not past due	**0%**	**71,951**	**-**
Past due:			
Less than 90 days	**0%**	**26,574**	**-**
91 days to 1 year	**20.16%**	**7,305**	**1,473**
1 year and above	**99.06%**	**12,276**	**12,160**
		118,106	**13,633**

(In millions of Rupiah)

	31 March 2021		
	Weighted average loss rate	Gross carrying amount	Loss allowance
Not past due	**0%**	**50,695**	**-**
Past due:			
Less than 90 days	**0%**	**40,078**	**-**
91 days to 1 year	**13.75%**	**3,599**	**495**
1 year and above	**100%**	**10,588**	**10,588**
		104,960	**11,083**

The movement in the allowance for impairment in respect of trade and other receivables and contract assets during the year was as follows:

(In millions of Rupiah)

	Year ended March 31,2022	Year ended March 31, 2021
Balance at 1 April	**11,083**	5,308
Net remeasurement of loss allowance	**2,550**	5,775
Balance at 31 March	**13,633**	11,083

Cash in banks and cash equivalents

The Company's cash in banks and cash equivalents are deposited at reputable banks that are subject to tight regulations, therefore, the exposure to loss is minimized.

Refundable deposits

Refundable deposits represents cash paid in advance by the Company whereby the Company expects to be refundable after a specific period of time, or when certain conditions are satisfied, therefore, no significant credit risk factors was identified.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages this liquidity risk by on-going monitoring of the projected and actual cash flows.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

(In millions of Rupiah)

		Contractual cash flows
	Carrying amount	Total/Within 1 year
31 March 2022		
Financial liabilities		
Trade and other payables	**75,361**	**75,361**
Lease liabilities	**471**	**483**
	75,832	**75,844**

(In millions of Rupiah)

		Contractual cash flows
	Carrying amount	Total/Within 1 year
31 March 2021		
Financial liabilities		
Trade and other payables	60,841	60,841

Currency risk

The Company is exposed to currency risk on few sales and purchases that are denominated in a currency other than their functional currency, primarily in USD. Management mitigates the overall risk by buying or selling currencies of USD at spot rate when necessary.

The Company's net exposure to currency risk is as follows:

(In full amount)

	Year ended March 31, 2022	Year ended March 31, 2021
In full amount	**US Dollars**	US Dollars
Assets	**233,477**	171,880
Liabilities	**(473,066)**	(555,543)
Net exposure	**(239,589)**	(383,663)

At reporting dates, balances of monetary assets and liabilities denominated in US Dollars are translated into Rupiah using the prevailing exchange rates which were Rp 14,369/US Dollars at 31 March 2022; and Rp 14,493/US Dollars at 31 March 2021.

A strengthening/weakening of the Rupiah by 10 percent (2021: 10 percent) against the US Dollars at 31 March 2022 and 31 March 2021 would have increased equity and profit or loss after income tax by Rp 344 million and Rp 434 million, respectively. This analysis is based on US Dollars rate variances that management considers as being reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

Capital risk management

The Company manages capital with the objective of being able to continue as a going concern and sustaining its ability to provide returns for shareholders and benefits for other stakeholders, as well as maintaining an optimal capital structure to minimize the effective cost of capital. This objective is achieved by limiting the amounts of dividends.

TATA CONSULTANCY SERVICES (PHILIPPINES), INC.

(A Wholly-Owned Subsidiary of Tata Consultancy Services Asia Pacific Pte. Ltd.)

FINANCIAL STATEMENTS

For the year ended March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS AND STOCKHOLDERS
TATA CONSULTANCY SERVICES (PHILIPPINES), INC.

10th Floor, Panorama Tower
34th Street Corner Lane A
Bonifacio Global City, Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tata Consultancy Services (Philippines), Inc. (the "Company"), a wholly-owned subsidiary of Tata Consultancy Services Asia Pacific Pte. Ltd., which comprise the statements of financial position as at March 31, 2022 and 2021, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 28 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

VERNILO G. YU
Partner
CPA License No. 108798
SEC Accreditation No. 1815-A, Group A, valid until August 20, 2023
Tax Identification No. 225-454-652
BIR Accreditation No. 08-001987-035-2021
Issued June 29, 2021; valid until June 28, 2024
PTR No. MKT 8854090
Issued January 3, 2022 at Makati City

May 12, 2022
Makati City, Metro Manila

Statements of Financial Position

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Current Assets			
Cash and cash equivalents	5, 23, 24	**P370,499,151**	P551,873,393
Trade receivables - net	19, 23, 24	**1,309,072,184**	767,315,880
Prepayments and other current assets	7, 23, 24	**283,431,341**	236,532,600
Total Current Assets		**1,963,002,676**	1,555,721,873
Non - current Assets			
Trade receivables	6(b)	**-**	674,693
Property and equipment - net	8	**250,156,231**	215,046,053
Intangibles - net	9	**19,181**	26,782
Right-of-use assets - net		**732,956,797**	755,163,624
Others non current assets	10, 23, 24	**79,965,271**	58,261,795
Total Non-current Assets		**1,063,097,480**	1,029,172,947
TOTAL ASSETS		**P3,026,100,156**	P2,584,894,820
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	11, 23, 24	**P1,315,657,088**	P1,011,178,609
Lease liabilities - current portion		**229,954,152**	263,627,239
Income tax payable		**17,223,111**	10,699,565
Total Current Liabilities		**1,562,834,351**	1,285,505,413
Non-current Liabilities			
Lease liabilities - net of noncurrent portion		**536,021,920**	524,445,684
Retirement benefit obligation	12	**155,862,750**	140,293,079
Total Non-current Liabilities		**691,884,670**	664,738,763
		2,254,719,021	1,950,244,176
EQUITY			
Share capital	13	**276,200,000**	276,200,000
Accumulated remeasurements on retirement benefits		**26,872,455**	12,930,073
Retained earnings:			
Appropriated	14	**100,000,000**	-
Unappropriated		**920,828,680**	898,040,571
Treasury shares	13	**(552,520,000)**	(552,520,000)
Total Equity		**771,381,135**	634,650,644
TOTAL LIABILITIES AND EQUITY		**P3,026,100,156**	P2,584,894,820

SEE NOTES TO THE FINANCIAL STATEMENTS.

Statements of Comprehensive Income

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenues - Net	15, 19	**P5,292,513,304**	P4,289,814,605
Cost of services	16	**4,470,346,663**	3,810,880,154
GROSS PROFIT		**822,166,641**	478,934,451
General and administrative expenses	17	**382,725,171**	400,163,641
INCOME FROM OPERATIONS		**439,441,470**	78,770,810
Other Income (charges)			
Interest expense	21	**(51,276,986)**	(56,863,484)
Foreign exchange gain (loss) - net		**18,327,178**	(2,197,236)
Reversal of bad debts		**24,922,620**	5,149,424
Income on rent concession	21	**-**	5,813,971
Interest income	5, 21	**3,151,675**	3,357,315
Others – net		**259,570**	236,448
		(4,615,943)	(44,503,562)
INCOME BEFORE INCOME TAX		**434,825,527**	34,267,248
Income tax expense	20	**52,037,418**	30,299,946
NET INCOME		**382,788,109**	3,967,302
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement gain (loss) on retirement benefits	12	**13,942,382**	4,749,086
TOTAL COMPREHENSIVE INCOME		**P396,730,491**	P8,716,388

SEE NOTES TO THE FINANCIAL STATEMENTS.

Statements of Changes in Equity

	Note	Share Capital (Note 13)	Accumulated Remeasurements on Retirement Benefits	Retained Earnings (Note 14)			Treasury Shares (Note 13)	Total
				Appropriated	Unappropriated	Total		
Balances as at April 1, 2020		P276,200,000	P8,180,987	P761,000,000	P613,073,269	P1,374,073,269	(P552,520,000)	P1,105,934,256
Net income		-	-	-	3,967,302	3,967,302	-	3,967,302
Other comprehensive loss		-	4,749,086	-	-	-	-	4,749,086
Total comprehensive income		-	4,749,086	-	3,967,302	3,967,302	-	8,716,388
Additional appropriations			-	-	-	-	-	-
Reversal of Appropriations	14	-	-	(761,000,000)	761,000,000	-	-	-
Dividend Distribution	13	-	-	-	(480,000,000)	(480,000,000)	-	(480,000,000)
Transaction with owners of the company		-	-	(761,000,000)	281,000,000	(480,000,000)	-	(480,000,000)
Balances as at March 31, 2021		**P276,200,000**	**P12,930,073**	**-**	**P898,040,571**	**898,040,571**	**(P552,520,000)**	**634,650,644**
Net Income		**-**	**-**	**-**	**382,788,109**	**382,788,109**	**-**	**382,788,109**
Other comprehensive income		**-**	**13,942,382**	**-**	**-**	**-**	**-**	**13,942,382**
Total comprehensive income		**-**	**13,942,382**	**-**	**382,788,109**	**382,788,109**	**-**	**396,730,491**
Additional appropriation	14	**-**	**-**	**100,000,000**	**(100,000,000)**	**-**	**-**	**-**
Dividend distribution	13	**-**	**-**	**-**	**(260,000,000)**	**(260,000,000)**	**-**	**(260,000,000)**
Transactions with owners of the Company		**-**	**-**	**-**	**(260,000,000)**	**(260,000,000)**	**-**	**(260,000,000)**
Balances as at March 31, 2022		**P276,200,000**	**P26,872,455**	**P100,000,000**	**P920,828,680**	**P1,020,828,680**	**(P552,520,000)**	**P771,381,135**

SEE NOTES TO THE FINANCIAL STATEMENTS.

Statements of Cash Flows

	Note	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before tax		**P434,825,527**	P34,267,248
Adjustments for			
Depreciation and amortization	8,21	**373,875,758**	386,966,847
Unrealized foreign exchange loss (gain) - net		**(6,097,885)**	(26,032,250)
Retirement benefit expense	12,18	**32,666,890**	28,787,476
Provision for impairment losses on receivables	6	**(24,845,884)**	18,073,091
Interest Income		**(3,151,675)**	(3,357,315)
Gain on lease modification		**-**	(857,451)
Provision for volume discount		**(20,747)**	8,417
Dividend Income		**(75)**	(59)
Operating cash flows before working capital changes		**807,251,911**	437,856,004
Decrease (increase) in:			
Trade receivables		**(518,394,356)**	725,290,740
Prepayments and other current assets		**(46,898,741)**	(150,259,710)
Increase (decrease) in:			
Trade and other payables		**261,085,361**	47,620,044
Cash generated from operations		**503,044,176**	1,060,507,078
Income taxes paid		**(45,521,368)**	(11,947,838)
Benefits paid		**(3,154,837)**	-
Net cash provided by operating activities		**454,367,969**	1,048,559,240
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	8	**(106,858,384)**	(40,390,197)
Decrease in other assets		**(20,978,087)**	13,420,183
Interest Income received	5	**374,109**	540,193
Dividend income received		**75**	59
Net cash used in investing activities		**(127,462,287)**	(26,429,762)
CASH FLOWS FROM A FINANCING ACTIVITIES			
Dividends paid	14	**(260,000,000)**	(480,000,000)
Repayment of lease liabilities	21	**(258,691,693)**	(235,599,444)
Net cash used in financing activities		**(518,691,693)**	(715,599,444)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(P191,786,011)**	P306,530,034
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**10,411,771**	(7,479,862)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**551,873,391**	252,823,221
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	**P370,499,151**	P551,873,393

SEE NOTES TO THE FINANCIAL STATEMENTS.

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services (Philippines), Inc. (the "Company") was organized under the laws of the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on September 19, 2008. The Company's principal activities are to provide information technology (IT), business solutions and outsourcing services.

The Company is a wholly-owned subsidiary of Tata Consultancy Services Asia Pacific Pte. Ltd. (the "Parent Company"), a company incorporated under the laws of Singapore. Tata Consultancy Services Limited (the "Intermediate Parent"), a company incorporated in India and Tata Sons Limited ("the Ultimate Parent"),a company incorporate in India is the Company's ultimate parent company.

The Company is registered with the Philippine Economic Zone Authorities (PEZA) under Republic Act No. 7916 (The Special Economic Zone Act of 2005) as an Ecozone IT Enterprise on June 2, 2010.

2. BASIS OF PREPARATION

Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs are based on International Financial Reporting sStandards (IFRSs) issued by the International Accounting Standards Board (IASB). PFRSs which are issued by the Philippine Financial Reporting Standards Council (FRSC), consist of PFRSs, Philippine Accounting Standards (PASs), and Philippine Interpretations.

Basis of Measurement

The financial statements of the Company have been prepared on the historical cost basis of accounting, except for the retirement benefit obligation which is measured at the present value of defined benefit obligation, certain financial instruments which are measured at fair value or amortized cost at the end of each reporting period & Lease liability which is measured at amortized cost.

Functional and Presentation Currency

The financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Philippine Peso, which is the Company's functional currency. All amounts are rounded to the nearest Peso, except when otherwise indicated.

Authorization for Issuance of the Financial Statements

The accompanying financial statements were approved and authorized for issue by the Company's Board of Directors (BOD) on May 11, 2022.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in the financial statements, except for the changes in accounting policies as explained below.

Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The Company has adopted the following new standards starting April 1, 2021 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these new standards did not have any significant impact on the Company's financial statements.

- COVID-19-Related rent Concessions (Amendment to PFRS16 Leases). The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are direct consequence of Covid-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The practical expedient applies if:
  - the revised consideration is substantially the same or less than the original consideration.
  - the reduction in lease payments relates to payments due on before June 30, 2021; and
  - no other substantive changes have been made to the terms of the lease.

  Lessee applying the practical expedient are required to disclose the fact, whether they have applied the practical expedient to all eligible rent concessions, and if not the nature of contracts to which they have applied the practical expedient; and the amount recognized in profit and loss for the reporting period arising from application of the practical expedient. No practical expedient is provided for lessors.

- Interest Rate Benchmark Reform - Phase 2 (Amendments to PFRS 9 Financial Instruments, PAS 39 Financial Instruments: Recognition and Measurement, PFRS 7 Financial Instruments: Disclosures, PFRS 4 Insurance Contracts and PFRS 16 Leases). To ensure that financial statements best reflect the economic effects of interest rate benchmark reforms, the Phase 2 amendments were issued and focus on the accounting once a new benchmark rate is in place. The reliefs allow companies not to recognize significant modification gains or losses on financial instruments and mitigate the risk of discontinuations of existing hedging relationships because of changes required by reforms. The amendments address issues that might affect financial reporting during the reform in the following key areas:
  - *Practical Expedient for Changes to Contractual Cash Flows*. As a practical expedient, a company will account for a change in the basis for determining the contractual cash flows that is required by the reform by updating the effective interest rate of the financial instrument. If there are other changes to the basis for determining the contractual cash flows, then a company first applies the practical expedient to the changes required by the reform and then applies other applicable requirements of PFRS 9 to other changes. A similar practical expedient applies to insurers applying PAS 39 and lessees for lease modifications required by a reform.
  - *Relief from Specific Hedge Accounting Requirements.*. The amendments enable and require companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the reform. A company is required to amend the formal designation of hedging relationships to reflect the changes required by the reform. Reliefs are also provided for amounts accumulated in the cash flow hedge reserve, the separately identifiable requirement, groups of items designated as hedged items and retrospective effectiveness assessment under PAS 39.
  - *Disclosure Requirements.*. To enable users of financial statements to understand the effect of reforms on a company's financial instruments and risk management strategy, additional disclosures are required on how transition to alternative benchmark rates are being managed, quantitative information about financial instruments indexed to rates yet to transition due to benchmark reform at the end of the reporting period, and the extent to which changes to the risk management strategy have occurred due to the risks identified in the transition.

The amendments are effective for annual reporting periods beginning on or after January 1, 2021. Earlier application is permitted. The amendments retrospectively, but restatement of comparative information is not required. Reinstatement of a discontinued hedging relationship is required if the hedging relationship was discontinued solely because of changes required by the reform, and that discontinued hedging relationship meets all qualifying criteria for hedge accounting at the date of initial application.

Standard Issued But Not Yet Adopted

Effective January 1, 2022

- *Property, Plant and Equipment - Proceeds before Intended Use (Amendments to PAS 16 Property, Plant and Equipment).* The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2 *Inventories*.

  The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

  For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

- *Onerous Contracts - Cost of Fulfilling a Contract (Amendment to PAS 37 Provisions, Contingent Liabilities and Contingent Assets).* The amendments clarify that the cost of fulfilling a contract when assessing whether a contract is onerous includes all costs that relate directly to a contract - i.e. it comprise both incremental costs and an allocation of other direct costs.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated. Earlier application is permitted.

- *Annual Improvements to PFRS Standards 2018-2020.* This cycle of improvements contains amendments to four standards:
  - *Subsidiary as a First-time Adopter (Amendment to PFRS 1 First-time Adoption of Philippine Financial Reporting Standards).* The amendment simplifies the application of PFRS 1 for a subsidiary that becomes a first-time adopter of PFRS later than its parent. The subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to PFRS.
  - *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to PFRS 9 Financial Instruments).* The amendment clarifies that for the purpose of performing the '10 per cent' test for derecognition of financial liabilities, the fees paid net of fees received included in the discounted cash flows include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
  - *Lease Incentives (Amendment to Illustrative Examples accompanying PFRS 16 Leases)*. The amendment deletes from the Illustrative Example 13 the reimbursement relating to leasehold improvements to remove the potential for confusion because the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in PFRS 16.
  - *Taxation in Fair Value Measurements (Amendment to PAS 41 Agriculture)*. The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in PAS 41 with those in PFRS 13 Fair Value Measurement.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.

- *Reference to the Conceptual Framework (Amendment to PFRS 3 Business Combinations)*. The amendments:
  - updated PFRS 3 so that it now refers to the 2018 Conceptual Framework
  - added a requirement that, for transactions and other events within the scope of PAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, an acquirer applies PAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and
  - added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

  The amendments are effective for business combinations occurring in reporting periods starting on or after January 1, 2022. Earlier application is permitted.

Effective January 1, 2023

- *Classification of Liabilities as Current or Non-current (Amendments to PAS 1 Presentation of Financial Statements)*. To promote consistency in application and clarify the requirements on determining whether a liability is current or non-current, the amendments:
  - removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;
  - clarified that a right to defer settlement exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date; and
  - clarified that settlement of a liability includes transferring a company's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or non-current.

  The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

In November 2021, the International Accounting Standards Board issued the Exposure Draft, Non-Current Liabilities with Covenants after considering stakeholder feedback on the December 2020 tentative agenda decision issued by the IFRS Interpretations Committee about the amendments. The exposure draft proposes to again amend IAS 1 as follows:

- Conditions which the entity must comply within twelve months after the reporting period will have no effect on the classification as current or non-current.
- Additional disclosure requirements will apply to non-current liabilities subject to such conditions to enable the assessment of the risk that the liability could become repayable within twelve months.
- Separate presentation in the statement of financial position will be required for non-current liabilities for which the right to defer settlement is subject to conditions within 12 months after the reporting period.

  The effective date of the amendments will be deferred to no earlier than January 1, 2024.

- Definition of Accounting Estimates (Amendments to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors). To clarify the distinction between changes in accounting policies and changes in accounting estimates, the amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an accounting estimate is developed to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both selecting a measurement technique and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged. The amendments also provide examples on the application of the new definition.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the amendments are applied.

- Disclosure of Accounting Policies (Amendments to PAS 1 Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements). The amendments are intended to help companies provide useful accounting policy disclosures. The key amendments to PAS 1 include:
  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments to PFRS Practice Statement 2 include guidance and additional examples on the application of materiality to accounting policy disclosures.

  The amendments are effective from January 1, 2023. Earlier application is permitted.

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12 Income Taxes).* The amendments clarify that the initial recognition exemption does not apply to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning obligations. The amendments apply for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

  For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other appropriate component of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

Effective January 1, 2025

- *PFRS 17 Insurance Contracts* replaces the interim standard, PFRS 4 Insurance Contracts. Reflecting the view that an insurance contract combines features of both a financial instrument and a service contract, and considering the fact that many insurance contracts generate cash flows with substantial variability over a long period, PFRS 17 introduces a new approach that:

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- combines current measurement of the future cash flows with the recognition of profit over the period services are provided under the contract;
- presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and
- requires an entity to make an accounting policy choice portfolio-by-portfolio of whether to recognize all insurance finance income or expenses for the reporting period in profit or loss or to recognize some of that income or expenses in other comprehensive income.

Under PFRS 17, groups of insurance contracts are measured based on fulfilment cash flows, which represent the risk-adjusted present value of the entity's rights and obligations to the policy holders, and a contractual service margin, which represents the unearned profit the entity will recognize as it provides services over the coverage period. Subsequent to initial recognition, the liability of a group of insurance contracts represents the liability for remaining coverage and the liability for incurred claims, with the fulfilment cash flows remeasured at each reporting date to reflect current estimates.

Simplifications or modifications to the general measurement model apply to groups of insurance contracts measured using the 'premium allocation approach', investment contracts with discretionary participation features, and reinsurance contracts held.

PFRS 17 brings greater comparability and transparency about the profitability of new and in-force business and gives users of financial statements more insight into an insurer's financial health. Separate presentation of underwriting and financial results will give added transparency about the sources of profits and quality of earnings.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Full retrospective application is required, unless it is impracticable, in which case the entity chooses to apply the modified retrospective approach or the fair value approach. However, if the entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, then it applies the fair value approach. Early application is permitted for entities that apply PFRS 9 Financial Instruments on or before the date of initial application of PFRS 17.

Deferral of the local implementation of Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 Consolidated Financial Statements and PAS 28 Investments in Associates and Joint Ventures).* The amendments address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

  The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

  Originally, the amendments apply prospectively for annual periods beginning on or after January 1, 2016 with early adoption permitted. However, on January 13, 2016, the FRSC decided to postpone the effective date of these amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint venture.

Financial Assets & Financial Liabilities

Financial assets and liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The entity derecognises financial liabilities when, and only when, the entity obligations are discharged, cancelled or have expired.

Financial Assets at Amortized Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial Assets at fair Value through Profit or Loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial Liabilities

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

Impairment of Financial Assets (Other than at Fair Value)

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. PFRS 9 requires expected credit losses to be measured through a loss allowance. The entity recognizees lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Prepayments

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the statements of financial position as current assets when the cost of services related to the prepayments are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as noncurrent assets.

Property and Equipment

Property and equipment are initially measured at cost. The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management; and
- the initial estimate of the future costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

At the end of each reporting period, item of property and equipment measured using the cost model are carried at cost less any subsequent accumulated depreciation, amortization and impairment losses.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

	Number of Years
Computer equipment	4
Furniture and fixtures	5
Office equipment	5 - 10
Leasehold improvements	5 or lease term, whichever is shorter

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets commences at the time the assets are ready for their intended use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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.

As a Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognizees a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Company uses the lessee's incremental borrowing rate as the discount rate.

The Company determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impairment of Nonfinancial Assets

At the end of each reporting period, the Company assesses whether there is any indication that any of its nonfinancial assets, which comprise of property and equipment, may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. A reasonable and consistent basis of allocation can be identified, assets are also allocated to individual (CGUs), or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 recognized as an expense.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income.

Share Capital

Share capital are classified as equity. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Treasury Shares

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in additional paid-in capital.

Retained Earnings

Retained earnings represent accumulated profits or losses. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Unappropriated retained earnings represent that portion which is free and can be declared as dividends to stockholders. Appropriated retained earnings represent that portion which has been restricted and, therefore, not available for dividend declaration. When appropriation is no longer needed, it is reversed.

Other Comprehensive Income (OCI)

Other comprehensive income represents income and expense that are not recognized in profit or loss as required or permitted by the related accounting standards.

Revenue Recognition

The Company earns revenue primarily from providing IT services, business solutions and outsourcing services. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognized using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost 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 recognized upfront at the point in time when the system/software is delivered to the customer. In cases where implementation and/or customization services rendered significantly modifies or customizes the software, these services and software are accounted for as a single performance obligation and revenue is recognized over time on a POC method .
- Revenue from the sale of distinct third party hardware is recognized at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes 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.

Contract fulfilment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalization. Such costs are amortized over the contractual period or useful life of the license, whichever is less. The assessment of this criteria requires the application of judgement, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

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Contract assets are recognized when there is excess of revenue 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 recognized when there are billings in excess of revenues. Contract liability is presented in the Company's financial statements as "unearned revenue".

The billing schedules agreed with customers could include periodic performance-based payments and/or milestone-based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with PAS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography, and nature of services.

Use of significant judgments in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products and services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgment 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. The Company has applied the practical expedient provided by PFRS 15, whereby the Company does not adjust the transaction price for the effects of the time value of money where the period between when the control on goods and services transferred to the customer and when payment thereof is due, is one year or less. 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 recognized will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contracts are recognized using percentage-of-completion method. The Company uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

Finance and other income

Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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Other Income

Other income is income generated outside the normal course of business and is recognized when it is probable that the economic benefits will flow to the Company and it can be measured reliably.

Expense Recognition

Costs and expenses are recognized 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 licenses, depreciation and amortization 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 doubtful trade receivables and advances, 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 amortization expenses of non-production equipment and software, facility expenses for administrative offices, communication expenses, fees to external consultants and other general expenses.

Employee Benefits

Short-term Benefits
The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period that are expected to be settled wholly before twelve months after the end of the reporting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has 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.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Compensated absences

Compensated absences are recognized as undiscounted liability as at the end of the reporting periods.

Post-employment Benefits
The Company classifies its retirement benefit as defined benefit plans. Under the defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.

The Company presents the first two components of defined benefit costs in profit or loss in the line item of cost of services and general and administrative expenses. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the statements of financial position represents the present value of the defined benefit obligation.

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Taxes

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

Income tax expense represents the sum of current tax expense and deferred tax.

Current Tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net income as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. As a PEZA-registered entity, the Company is entitled to corporate income tax holiday (ITH) for four years for IT and Business Process Outsourcing (BPO) projects effective on the committed date of start of commercial operations, or the actual date of start of commercial operations, whichever is earlier. The Company's liability for current tax is calculated using 0% tax rate for PEZA-registered activities under ITH and 5% tax rate for PEZA-registered activities and 25% tax rate for ordinary activities.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are generally recognized for all deductible temporary differences and carry forward benefits of unused net operating loss carry over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward benefits of NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred income tax asset to be recovered.

Deferred tax liabilities and assets are measured using substantial enacted tax rates that are expected to apply in the period in which the liability is settled or the asset realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Value-added Tax (VAT)

Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

The net amount of sales tax recoverable from or payable to the tax authority is included as part of receivables or payables in the Company's statements of financial position.

Foreign Currency Denominated Transactions and Translation

Transactions in currencies other than Philippine Peso are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Gains and losses arising on settlement and retranslation are included in profit or loss for the year. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Related Parties and Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of reimbursement. If the effect of the time value of money is material, provisions are discounted using the current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to the financial statements unless the outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

Events After the Reporting Period

The Company identifies events after the end of the reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations, that management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

Determining Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the Company in determining the costs and selling price of its services.

Determining Term and Discount Rate of Lease Agreement

The company evaluates if an arrangement qualifies to be a lease as per the requirements of PFRS 16. Identification of a lease requires significant judgment. The entity uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the entity is reasonably certain not to exercise that option. In assessing whether the entity 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 entity to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Entity 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.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key source of estimation of uncertainty in respect of revenue recognition, impairment has been discussed in their respective policies.

Estimating Impairment Losses on Trade Receivables

The Company assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. PFRS 9 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

As at March 31, 2022 and 2021, the management provided for allowances amounting to P0.008 million and P24.85 million, respectively considering doubtful collection from accounts (see Note 6).

Trade receivables recognized in the Company's statements of financial position amounted to P 1.459 billion and P0.77 billion, as at March 31, 2022 and 2021, respectively (see Note 6).

Estimating Useful Lives of Property and Equipment

The useful lives of the Company's property and equipment are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

There is no change in the EUL of the Company's property and equipment in 2022 and 2021.

As at March 31, 2022 and 2021, the carrying amounts of the Company's property and equipment amounted to P250.16 million and P215.05 million, respectively (see Note 8)

Estimating Impairment of Nonfinancial Assets

The Company performs an impairment review when certain impairment indicators are present. Determining the recoverable amount of property and equipment, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, require the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property and equipment and intangible asset are impaired. Any resulting impairment loss could have a material adverse impact on the financial position and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges.

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As at March 31, 2022 and 2021, the Company's management determined that there are no impairment indicators affecting its property and equipment.

Estimating Recoverability of Deferred Tax Assets

The Company reviews its deferred tax assets at each reporting date and reduces the carrying amounts to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company also reviews expected timing and rates upon reversal of temporary differences and adjust impact of deferred tax assets accordingly. The Company's assessment on the recognition of deferred tax assets is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on Company's past results and future expectation on revenues and expenses.

As at March 31, 2022 and 2021, Company has not recognized deferred tax assets for retirement benefit obligation, bonus and leave liability as management believes it is not probable that future taxable profits from its non-PEZA-registered and PEZA registered activities will be available against which the company can utilize the carryforward benefits of retirement benefit obligation, bonus and leave liability, respectively (see Notes 20 and 22).

Estimating Retirement Benefit Obligation and Expense

The determination of the retirement benefit obligation and expense is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include discount rates, mortality rates and rates of compensation increase, among others. Actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement obligations.

The retirement benefit expense charged to operations amounted to P32.67 million and P28.79 million in 2022 and 2021, respectively. The carrying amount of the retirement benefit obligation in the Company's statements of financial position amounted to P155.86 million P140.29 million as at March 31, 2022 and 2021, respectively (see Note 12).

Estimating Provisions and Contingent Liabilities

The Company is involved in a certain claim, which arise in the normal course of business. The management believes that the claims lack legal basis and will contest any future proceedings. The estimate on the probable costs for the resolution of these possible claims is based upon analysis of potential results. Currently, the Company does not believe these claims will have a material adverse effect on the Company's financial statements. It is possible that future financial performance could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceeding.

Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Impact of COVID-19 (Pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. CASH AND CASH EQUIVALENTS

This account consists of:

	Note	As at March 31, 2022	As at March 31, 2021
Cash on hand		**P398,960**	P1,105,000
Cash in banks	23, 24	**125,100,191**	210,768,393
Cash equivalents	23, 24	**245,000,000**	340,000,000
		P370,499,151	P551,873,393

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Cash pertains to cash on hand and unrestricted cash in banks, which earned an average interest of 0.01%. Interest for time deposit earned an average interest of 0.08% and 0.11% in 2022 and 2021, respectively. Income earned on cash in banks amounted to P0.32 million and P0.11 million in 2022 and 2021, respectively, while interest income earned on time deposits amounted P0.05 million and to P0.43 million in 2022 and 2021, respectively.

6. TRADE RECEIVABLES - NET

(a) Current

This account consists of:

	As at March 31, 2022	As at March 31, 2021
Trade:		
Billed receivables	**P967,719,442**	P639,234,539
Unbilled receivables	**341,361,320**	152,935,803
	1,309,080,762	792,170,342
Allowance for impairment losses	**(8,578)**	(24,854,462)
	1,309,072,184	P767,315,880

The average credit period taken on sales of services is 15-75 days. No interest is charged in the receivable exceeding the credit period.

Out of the total trade receivables, due from related parties amounted to P811.41 million and P452.98 million as at March 31, 2022 and 2021, respectively (see Note 19).

Movements of allowance for impairment losses:

	Note	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year		**P24,854,462**	P6,781,372
Provision	17	**-**	23,253,492
Reversal		**(24,845,884)**	(5,180,402)
Balance at end of year		**P8,578**	P24,854,462

(b) Non-Current trade receivables after one year amounted to nil and P0.67 million as on March 31, 2022 and 2021 respectively.

7. PREPAYMENTS AND OTHER CURRENT ASSETS

This account consist of:

	Note	As at March 31, 2022	As at March 31, 2021
Contract assets	15, 19	**P147,546,484**	P107,313,226
Prepaid expenses		**109,561,737**	22,700,728
Advances to employees		**7,901,377**	18,606,248
Other receivables		**6,836,344**	11,491,836
Refundable deposits	21, 23, 24	**1,833,600**	12,495,426
Advances to suppliers		**-**	-
Advance Rent		**504,696**	-
Prepaid income tax		**7**	-
Advances from consumer contracts		**-**	63,173,575
Others		**9,247,096**	751,561
		P283,431,341	P236,532,600

Prepaid expenses include health medical insurance.

Other receivables include receivables from Social Security System for advances made on behalf of the Company's employees.

8. PROPERTY AND EQUIPMENT

Movements in the carrying amounts of the property and equipment are as follows:

	Computer Equipment	Furniture and Fixtures	Office Equipment	Leasehold Improvements	Construction in Progress	Total
Cost						
Balance, March 31, 2020	P393,178,614	P92,129,549	P258,395,739	P484,985,252	P9,098,594	P1,237,787,748
Additions	29,691,611	929,145	-	3,248,688	9,311,687	43,181,131
Disposals	-	-	-	-	-	-
Reclassifications	-	-	7,521,920	1,576,674	(9,098,594)	-
Balance, March 31, 2021	422,870,225	93,058,694	265,917,659	489,810,614	9,311,687	1,280,968,879
Disposal/(Adjustment)	**(53,196)**	**-**	**-**	**(6,968,772)**	**-**	**(7,021,968)**
Additions	**102,343,972**	**732,333**	**1,817,623**	**2,302,083**	**47,927,115**	**155,123,126**
Reclassifications	**5,379,961**	**-**	**1,100,000**	**-**	**(6,479,961)**	**-**
Balance, March 31, 2022	**530,540,962**	**93,791,027**	**268,835,282**	**485,143,925**	**50,758,841**	**1,429,070,037**
Accumulated Depreciation and Amortization						
Balance, March 31, 2020	313,378,211	67,624,279	191,472,853	366,266,276	-	938,741,619
Depreciation and Amortization	36,854,681	9,142,395	22,094,073	59,090,058	-	127,181,207
Disposals	-	-	-	-	-	-
Balance, March 31, 2021	350,232,892	76,766,674	213,566,926	425,356,334	-	1,065,922,826
Depreciation and Amortization	**48,757,261**	**5,830,788**	**17,263,778**	**41,162,484**	**-**	**113,014,311**
Disposals	**(23,331)**	**-**	**-**	**-**	**-**	**(23,331)**
Balance, March 31, 2022	**398,966,822**	**82,597,462**	**230,830,704**	**466,518,818**	**-**	**1,178,913,806**
Carrying Amounts						
March 31, 2021	P72,637,333	P16,292,020	52,350,733	P64,454,280	P9,311,687	P215,046,053
March 31, 2022	**P131,574,139**	**P11,193,565**	**P38,004,578**	**P18,625,107**	**P50,758,841**	**P250,156,231**

The total amount of additions to property and equipment includes cash acquisitions amounting to P113.86 million and P2.79 million as at March 31, 2022 and 2021, respectively.

Management believes that there are no impairment indicators offsetting the Company's property and equipment.

Depreciation and amortization is recognized in profit or loss as follows:

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Cost of services	16	**P101,216,084**	P116,898,951
General and administrative expenses	17	**11,798,227**	10,282,256
		P113,014,311	P127,181,207

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9. INTANGIBLE ASSET - NET

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Cost		**P30,406**	P30,406
Amortization	16	**(11,225)**	(3,624)
Carrying Amount, March 31, 2022		**P19,181**	P26,782

10. OTHER NONCURRENT ASSETS

This account consists of:

	Note	As at March 31, 2022	As at March 31, 2021
Refundable deposits	21, 23, 24	**P76,827,879**	P58,107,071
Contract assets	15	**3,137,374**	154,706
Others		**18**	18
		P79,965,271	P58,261,795

11. TRADE AND OTHER PAYABLES

This account consists of:

	Note	As at March 31, 2022	As at March 31, 2021
Trade payables		**P516,440,852**	P371,197,427
Accrued short-term employee benefits		**514,264,286**	429,616,212
Unearned revenues	15	**132,292,403**	103,728,840
Provision for volume discount		**39,614,432**	43,574,058
Withholding taxes payables		**70,274,841**	26,974,188
Output VAT - net		**17,354,212**	13,105,603
Other statutory payables		**25,416,062**	22,982,281
	24	**P1,315,657,088**	P1,011,178,609

The average credit period on purchases of goods and services from suppliers is 30 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Accrued short-term employee benefits include provision for employee bonus, sick leave, and vacation leave accruals.

Output VAT is net of input VAT amounting to P8.00 million and P0.72 million as at March 31, 2022 and 2021, respectively. Claims for tax credit amounted to P9.26 million and P2.69 million as at March 31, 2022 and 2021.

Out of the total trade payables, due to related parties amounted to P454.70 million and P251.74 million as at March 31, 2022 and 2021, respectively (see Note 19).

Refer to Note 15 for changes in contract liabilities, presented above as "Unearned revenues".

12. RETIREMENT BENEFIT PLAN

The Company operates a defined benefit plan for qualifying employees. Under the plan, the employees upon reaching the age of 60 years or more but not beyond 65 years, which is declared the compulsory retirement age, and have served at least five years in the Company are entitled to retirement benefits equivalent to at least one half month salary for every year of service rendered in the Company.

The plan typically exposes the participants to actuarial risks such as: interest rate risk, longevity risk and salary risk

Interest Rate Risk

A decrease in the government bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out at March 31, 2022 by an independent actuary. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation at	
	2022	**2021**
Discount rate	**5.72%**	5.02%
Expected rate of salary increase	**4.00%**	4.00%

Amounts recognized in profit or loss and other comprehensive income in respect of this defined benefit plan are as follows:

	Defined Benefit Obligation	
	2022	**2021**
Balance at beginning of year	**P140,293,079**	P116,254,689
Included in Profit or Loss		
Current service cost	**25,624,177**	23,497,888
Interest cost	**7,042,713**	5,289,588
	32,666,890	28,787,476
Contribution paid	**(3,154,837)**	-
Included in OCI		
Remeasurement loss (gain) arising from:		
Changes in financial assumptions	**(16,732,094)**	(10,269,008)
Deviations of experience from assumptions	**2,789,712**	5,519,922
	(13,942,382)	(4,749,086)
Balance at end of year	**P155,862,750**	P140,293,079

The total retirement benefits expense charged to cost of services amounted to P26.09 million and P23.98 million in 2022 and 2021, respectively. Total retirement benefits expense charged to general and administrative expenses amounted to P6.58 million and P4.81 million in 2022 and 2021, respectively (see Notes 16, 17 and 18).

The reasonably possible changes to the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Increase (Decrease) in Defined Benefit Obligation	
	As at March 31, 2022	As at March 31, 2021
Discount rate		
Increase by 0.5%	**(10,617,540)**	(P9,890,396)
Decrease by 0.5%	**11,752,271**	11,030,001
Salary rate		
Increase by 0.5%	**11,929,047**	11,098,459
Decrease by 0.5%	**(10,895,891)**	(10,062,693)
Employee Turnover		
Increase by 10%	**14,393,636**	13,961,939
Decrease by 10%	**(14,393,636)**	(13,961,939)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statements of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

13. SHARE CAPITAL

An analysis of the Company's share capital is as follows:

	As at March 31, 2022	As at March 31, 2021
Authorized 3,000,000 ordinary shares of P100 par value		
Issued	**2,762,000**	2,762,000
Treasury shares	**(380,000)**	(380,000)
Total issued and outstanding	**2,382,000**	2,382,000

The Company has one class of ordinary shares which carries no right to fixed income.

Treasury Shares

On July 26, 2017, the BOD approved to buy-back 380,000 shares from Tata Consultancy Services Asia Pacific Pte. Ltd. for P1,454 per share for a total of P552.52 million. These shares will not be retired and shall be deemed as treasury shares.

14. RETAINED EARNINGS

Under the Corporation Code of the Philippines, the Company is prohibited to retain surplus profits in excess of one hundred percent (100%) of its paid-up capital except: when justified by definite corporate expansion projects or programs approved by the BOD; when a company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not yet been secured; or when it can be clearly shown that such retention is necessary under special circumstances, such as when there is a need for reserve for probable contingencies.

The Company has appropriated its retained earnings for various future business expansion as follows:

On April 28, 2017, the BOD approved the appropriation of P1.10 billion of its unrestricted retained earnings for business expansion which is expected to continue for the next 4 years. On July 26, 2017, the BOD approved the reversal of appropriated retained earnings amounting to P560.00 million for the buyback of shares (see Note 13).

On May 7, 2018, the BOD approved the appropriation of reserve fund in the amount of P221.00 million out of the total retained earnings of P481.90 million as at March 31, 2018 for the business expansion of the Company which is expected to continue for next 4 years.

On May 14, 2019, the BOD approved the appropriation of reserve fund in the amount of P100.00 million out of the total retained earnings of P365.09 million as at March 31, 2019 for business expansion of the Company which is expected to continue for the next 4 years.

On June 17, 2019, the BOD approved the declaration of cash dividends at P155.55 per share amounting to P370.00 million same was paid on June 20, 2019. On June 17, 2019, the BOD has approved the reversal of appropriated retained earnings amounting to P100.00 million.

In November 2020, the Company reversed the appropriated retained earnings amounting to P761.00 million upon completion of Panorama tower and Entec2 projects.

On November 27, 2020, the BOD approved the declaration of cash dividends at P201.51 per share amounting to P480.00 million. The dividends were paid on December 14, 2020.

On May 14, 2021, the BOD approved appropriation of P100.00 million out of the total retained earnings of P898.04 million as at March 31, 2021 for business expansion for the next three years.

On February 17, 2022, the BOD approved the declaration of cash dividends at P109.15 per share amounting to P260.00 million. The dividends were paid on March 04, 2022.

15. REVENUE

An analysis of the Company's revenue is as follows:

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Sale of service to third parties		**P1,380,029,664**	P1,019,919,259
Sale of service to related parties	19	**3,912,483,640**	3,269,895,346
		P5,292,513,304	P4,289,814,605

Sale of services is net of volume discount amounting to P49.07 million and P54.89 million in 2022 and 2021, respectively.

Revenue disaggregation by industry vertical is as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Banking, financial and insurance	**P1,425,069,385**	P1,201,063,051
Energy, Resources and Utilities	**1,162,927,487**	1,062,541,285
Life Sciences& Healthcare	**731,548,849**	719,977,279
Communication, media, and technology	**919,115,983**	615,496,482
Travel, Transport and Hospitality	**292,001,152**	208,755,110
Manufacturing	**120,959,898**	90,926,535
Retail and consumer products	**208,533,068**	143,546,604
Others	**432,357,482**	247,508,259
Total	**5,292,513,304**	P4,289,814,605

Revenue disaggregation by geography is as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
America	**P2,498,701,155**	P1,769,427,214
Asia Pacific	**1,967,362,608**	1,813,406,668
Europe	**223,987,322**	251,558,015
Others	**602,462,219**	455,422,708
Total	**5,292,513,304**	P4,289,814,605

	Note	As at March 31, 2022	Year ended March 31, 2021
Contract Assets Movement			
Balance at the beginning of the year		**P107,467,933**	P46,054,449
Revenue recognized during the year		**97,482,437**	103,712,828
Invoices raised during the year		**(55,314,456)**	(41,911,649)
Translation exchange difference		**1,047,944**	(387,696)
Balance at the end of the year	7, 10	**P150,683,858**	P107,467,932

	Note	As at March 31, 2022	Year ended March 31, 2021
Contract Liabilities Movement			
Balance at the beginning of the year		**(P103,728,840)**	(P31,842,933)
Increase due to invoicing during the year excluding amounts recognized as revenue during the year		**(128,922,887)**	(99,257,876)
Revenue recognized that was included in the contract liability balance at the beginning of the period		**102,148,540**	27,808,346
Translation exchange difference		**(1,789,216)**	(436,377)
Balance at the end of the year	7, 10	**(P132,292,403)**	(P103,728,840)

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in PFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are futuristic and therefore subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations P2.63 billion out of which 45.52% is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

16. COST OF SERVICES

This account consists of:

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and other short-term employee benefits	18	**P3,254,405,810**	P2,816,292,972
Direct cost-intercompany charges	19	**466,557,504**	286,463,853
Depreciation and amortization	8, 21	**362,077,531**	376,684,591
Communication		**89,561,899**	42,059,865
Repairs and maintenance		**87,601,695**	85,531,862
Recruitment and training		**44,815,703**	10,541,382
Transportation and travel		**42,760,960**	71,633,528
Security services		**27,142,072**	22,280,822
Facilities		**27,114,219**	28,928,718
Retirement benefit expense		**26,088,739**	23,981,902
Project cost		**10,011,924**	14,099,008
Legal and professional fees		**4,970,381**	8,677,136
Rent	21	**4,870,838**	1,257,823
Taxes and licenses		**5,055,069**	6,057,654
Others		**17,312,319**	16,389,038
		P4,470,346,663	P3,810,880,154

Others include office supplies, cleaning supplies and other miscellaneous items.

17. GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of:

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and other short-term employee benefits	18	**P267,470,093**	P283,163,508
Management cost	19	**46,899,178**	37,922,829
Legal and professional fees		**10,221,884**	13,302,607
Depreciation and amortization	7,8	**11,798,227**	10,282,256
Recruitment and training		**8,627,060**	2,830,924
Advertising		**7,099,978**	3,988,896
Retirement benefits expense	11, 17	**6,578,151**	4,805,574
Transportation and travel		**4,269,933**	4,874,279
Fees paid to business associates		**3,963,234**	4,018,620
Communication		**3,805,664**	2,397,248
Brand equity contribution	19	**3,440,732**	2,666,335
Repairs and maintenance		**2,629,231**	3,138,021
Taxes and licenses		**2,219,530**	814,366
Printing and stationery		**522,131**	668,035
Representation and entertainment		**295,205**	45,059
Director's fees		**91,170**	100,249
Doubtful expense	6	**-**	23,253,492
Others		**2,793,770**	1,891,343
		P382,725,171	P400,163,641

Others include cleaning expenses and miscellaneous items.

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18. EMPLOYEE BENEFITS

Employee benefits consist of:

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and other short-term employee benefits	16 ,17	**P3,521,875,903**	P3,099,456,480
Retirement benefits expense	12, 16, 17	**32,666,890**	28,787,476
		P3,554,542,793	P3,128,243,956

19. RELATED PARTY TRANSACTIONS

In the normal course of business, the Company transacts with companies which are considered related parties under PAS 24, *Related Party Disclosures*.

The summary of the Company's transactions and outstanding balances with related parties as at and for the years ended March 31, 2022 and 2021 are as follows:

			Outstanding Balance				
	Note	Transactions during the year	Trade Receivables	Other Assets	Trade Payables	Terms	Condition
2022							
Ultimate Parent							
Brand Equity	B	P3,440,732	P -	P -	P3,440,732	30-day; non-interest bearing	Unsecured, unimpaired
Intermediate Parent							
Sales	A	3,761,098,405	794,827,472	105,218,074	370,997,557	30-day; non-interest bearing	Unsecured, unimpaired
Volume Discount	A	50,655,868	-	-	39,054,033	-	-
Purchase	A	113,731,731	-	-	-	-	Unsecured
Direct Cost		429,609,603	-	-	-	-	-
Management cost	D	28,689,160	-	-	-	-	-
Parent Company							
Sales	A	26,320,662	4,019,074	1,734,585	17,333,542	30-day; non-interest bearing	Unsecured, unimpaired
Volume Discount		(1,070,634)	-	-	126,550		
Management cost	C	18,210,018	-	-	-	-	-
Purchase		-	-	-	-	-	-
Dividend Declaration		260,000,000	-	-	-	-	-
Fellow Subsidiaries						30-day; non-interest bearing	Unsecured, unimpaired
Sales		174,661,345	12,563,801	1,189,770	23,752,767	-	-
Volume Discount		1,539	-	-	1,457	-	-
Purchases		7,102,927	-	-	-	-	-
Direct Cost		51,783,953	-	-	-	-	-

	Note	Transactions during the year	Outstanding Balance: Trade Receivables	Outstanding Balance: Other Assets	Outstanding Balance: Trade Payables	Terms	Condition
Dividend Income		**75**	-	-	-	-	-
Other Group of Companies		-	-	-	-	-	-
Purchases		-	-	-	-	-	-
			-	-		-	-
			P811,410,347	**P108,142,429**	**P454,706,638**		

	Note	Transactions during the year	Outstanding Balance: Trade Receivables	Outstanding Balance: Other Assets	Outstanding Balance: Trade Payables	Terms	Condition
2021							
Ultimate Parent							
Brand Equity	b	P2,666,335	P -	P -	P2,666,335	30-day; non-interest bearing	Unsecured, unimpaired
Intermediate Parent							
Sales	a	3,008,329,074	403,044,694	62,762,644	27,509,829	30-day; non-interest bearing	Unsecured, unimpaired
Volume Discount	a	53,429,770	-	32,898	41,434,154	-	-
Purchase	a	115,012,147	-	-	166,773,305	30-day; non-interest bearing	Unsecured
Direct Cost		278,783,823	-	-	-	-	-
Management cost	d	25,267,131	-	-	-	-	-
Parent Company							
Sales	a	28,727,120	10,953,765	-	6,481,679	30-day; non-interest bearing	Unsecured, unimpaired
Volume Discount		622,754	-	-	(48)		
Management cost	c	12,655,698	-	-	-	-	-
Purchase		1,972	-	-	-	-	-
Dividend Declaration		480,000,000	-	-	-	-	-
Fellow Subsidiaries							
Sales		232,839,153	38,984,835	410,931	5,660,988	30-day; non-interest bearing	Unsecured, unimpaired
Volume Discount		402,576	-	-	1,188,786	-	-
Purchases		3,411	-	-	-	30-day; non-interest bearing	Unsecured
Direct Cost		7,680,030	-	-	-	-	-
Dividend Income		59	-	-	-	-	-
Other Group of Companies		-	-	-	-	30-day; non-interest bearing	Unsecured
Purchases		1,677,145	-	-	26,947	-	-
			P452,983,294	P63,206,473	P251,741,975		

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a. Sales to related parties were made at the Company's usual list prices. Purchases and direct cost-intercompany charges, representing subcontract costs for employee-related costs recoveries and reimbursements, were made at market price discounted to reflect the services purchased and the relationships between the parties. Sale of services is net of volume discount amounting to P49.59 million and P54.43 million in 2022 and 2021, respectively.

   Contract assets amounting to P20.32 million and P8.75 million are recognized from the Intermediate Parent as at 2022 and 2021, respectively.

b. On December 23, 2009, the BOD approved the subscription of the Company to Tata Brand Equity & Business Promotion Scheme (Scheme) and authorized its intermediate parent company, Tata Consultancy Services Limited, to enter into a Brand Equity and Business Promotion Agreement through its authorized signatories with Ultimate parent company Tata Sons Limited, on behalf of the Company, towards the Company's subscription to the Scheme. Total fees charged to the Company amounted to P3.44 million and P2.67 million in 2022 and 2021, respectively (see Note 17).

c. The Company's Parent Company has allocated its management cost to all its Asia Pacific subsidiaries. The management cost is allocated based on time spent of management personnel for respective subsidiaries. Total charges allocated to the Company amounted to P18.21 million and P12.66 million in 2022 and 2021, respectively (see Note 17).

d. On April 1, 2013, the Company and its Intermediate parent signed an agreement for General Services and Cost Sharing. The Company is a subsidiary company of Tata Consultancy Services Limited, a group of companies (the "TCS group"), that is engaged in business of promoting, marketing, designing, developing, delivering, maintaining information technology services and products and delivery of information technology-enabled services. The Corporate Office of Tata Consultancy Services Limited ("TCS-HQ") raises charges on various subsidiaries distributing the expenses incurred by TCS-HQ comprising cost towards staffing and support activities and other support functions which has been provided by TCS-HQ and which can reasonably be allocated to subsidiaries. The Company hereby recognizes the efficiency and acknowledges benefit of the said referred services since services are not locally performed within the Philippines. Total management cost allocated to the Company amounted to P28.69 million and P25.26 million in 2022 and 2021, respectively (see Note 17).

Remuneration of Key Management Personnel

The remuneration of the key management personnel of the Company consists of short-term benefits amounting to P14.96 million and P14.16 million in 2022 and 2021, respectively.

20. INCOME TAXES

The Company's income tax expense represents current tax expense amounting to P52.04 million and P30.30 million in 2022 and 2021, respectively.

The reconciliation of the income tax expense computed at the statutory tax rate of 5% and the income tax expense shown in profit or loss is as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Income before income tax	**P434,825,527**	P34,267,248
Income tax at statutory rate	**P21,741,276**	P1,713,362
Income subject to 25% in 2022 and 26.25% in 2021 ordinary tax	-	-
Additions to (reductions in) income tax resulting from the tax effects of:	-	-
Non-deductible expenses	**28,178,603**	25,028,651
Prior Period Adjustment	**2,136,244**	-
Income subject to ITH	**-**	3,584,943
Income subject to final tax	**(18,705)**	(27,010)
Income tax expense	**P52,037,418**	P30,299,946

As at March 31, 2022 and 2021, the gross amount of the Company's unrecognized deferred tax assets on retirement benefit obligations amounted to P26.09 million and P23.86 million as of March 31, 2022 and 2021, respectively, on accrued

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bonuses amounted to P29.36 million and P31.43 million as of March 31, 2022 and 2021, respectively and on accrued leave amounted to P29.27 million and P37.92 million as of March 31, 2022 and 2021, respectively.

Management believes it is not probable that future taxable profits from the Company's non-PEZA-registered and PEZA-registered activities will be available against which the Company can utilize the benefits from retirement benefit obligation, bonus and leave liability. As a result, the Company has not recognized the deferred tax assets on retirement benefit obligation, accrued bonus and leave.

Corporate Recovery and Tax Incentives for Enterprise Act "CREATE" was signed into law last March 16, 2021.

Below are the salient features of the law that might have possible impact to the company:

1. For the Company's income which are not covered by tax incentives, and therefore subject to regular income tax:
   a. Starting July 01, 2020, regular corporate income tax rate will be reduced to 25%, or 20% in case of domestic corporations with net taxable income not exceeding P5,000,000 and with total assets not exceeding P100 Million (excluding land on which the business entity's office, plant and equipment are situated)
   b. For the period beginning July 01, 2020 until June 30, 2023, minimum corporate income tax rate shall be 1%, instead of 2%.
   c. Improperly accumulated earnings tax is repealed.

   Effective reduced tax rates for FY ended March 31, 2022 are as follows:

Annual Accounting Period	Regular Corporate Income Tax Rates	Other domestic corporations with net taxable income <= 5M & total assets of <=100M, exclusive of land	MCIT
(Transition TY 2020	30%/25%	30%/20%	2%/1%
FY March 31 2021	26.25%	22.5%	1.23%
FY March 31 2022	25%	20%	1%

2. All dividends received by a domestic corporation shall be exempt from income tax. However, exemption of foreign-sourced dividends shall be subject to certain conditions.
3. Deductions from gross income
   a. An additional deduction equal to 50% of the value of labor training expenses incurred for skills development of enterprise-based trainees enrolled in public senior high schools, public higher education institutions, or public technical and vocational institutions duly covered by an apprenticeship agreement and for which a proper certification must be secured from DepEd, TESDA or CHED shall be allowed, provided that such deduction shall not exceed 10% of direct labor wage.
   b. Due to the proposed reduction in CIT rate, interest arbitrage shall be reduced to 20% of interest income subjected to final tax and will be further adjusted in case final tax on interest income will be adjusted in the future.
4. For the Company's income currently entitled to incentives:
   a. For the activities entitled to ITH and 5% (Gross Income Tax) GIT after the ITH or if granted 5% GIT only, the Company continue to avail of 5% GIT for 10 years

21. LEASES

The Company has entered into lease agreements with third parties in respect of the leases of office building spaces ranging from five to six years, renewable at the option of the lessee. The rent is payable monthly with an escalation rate ranging from 5% to 6% on the subsequent years. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Right-of-Use Assets

The details of the right-of-use assets held by the Company is as follows:

	Additions for the Year Ended March 31, 2022	Deletion for the Year Ended March 31, 2022	Net Carrying Amount as at March 31, 2022
Building	**P236,594,842**	**P -**	**P725,759,503**
Building - Security Deposit	**2,052,177**	**-**	**7,197,294**
	P238,647,019	**P -**	**P732,956,797**

	Additions for the Year Ended March 31, 2021	Deletion for the Year Ended March 31, 2021	Net Carrying Amount as at March 31, 2021
Building	P -	(P5,516,320)	P747,243,988
Building - Security Deposit	959,185	-	7,919,636
Total	P959,185	(P5,516,320)	P755,163,624

Amortization on right-of-use asset is as follows:

	As at March 31, 2022	As at March 31, 2021
Building	**P258,079,561**	P256,886,542
Building - Security Deposit	**2,774,285**	2,895,474
Total	**P260,853,846**	P259,782,016

Amortization of right-of-use assets charges to cost of services amounted to P260.83 million and P259.78 million in March 31, 2022 and 2021 respectively, and general and administrative expenses amounted to nil in both March 31, 2022 and 2021.

	As at March 31, 2022	As at March 31, 2021
Lease Liabilities		
Balance at April 1	**P788,072,923**	P1,029,406,484
Payments made	**(309,968,677)**	(286,648,956)
Lease concession	**-**	(5,813,971)
Deletion to lease liabilities	**-**	(5,734,118)
Interest charge for the year	**51,276,985**	56,863,484
Additions to lease liabilities	**236,594,841**	-
Balance at March 31	**P765,976,072**	P788,072,923

Total cash outflow for leases is P309.97 million and P286.65 million for the year ended March 31, 2022 and 2021, respectively, including cash outflow of nil and nil in March 31, 2022 and 2021, respectively, for short term leases and leases of low-value assets.

Other Leases

The Company applied the recognition exemption for right-of-use asset and lease liability on various short-term leases. Rental expense incurred on these lease agreements amounted to PHP P4.87 million and P1.26 million in March 31, 2022 and 2021 respectively (see notes 16 and 17).

Security Deposits

Total deposits made on these lease agreements amounted to million P78.66 and P70.60 million as at March 31, 2022 and 2021 (see Notes 7 and 10). Total advance rent amounted to nil and nil as at March 31, 2022 and 2021, respectively (see Notes 7 and 10).

Interest income recognized in the statements of comprehensive income amounted to P2.78 million and P2.82 million in 2022 and 2021, respectively.

At the end of each reporting period, the Company had outstanding commitments for future minimum rentals payable under these lease agreements as follows:

	As at March 31, 2022	As at March 31, 2021
Not later than one year	**P269,856,264**	P304,485,653
Later than one year but not later than five years	**570,858,991**	562,966,755
	P840,715,255	P867,452,408

All additions, alteration and improvements made on the leased office units at Bench Tower and Panorama by the lessee (except movable furniture and fixtures, equipment, appliances, electronic items and others) installed at the lessee's expense and removable without damaging the leased office units and the premises, shall become the lessor's property upon the termination of the contract or its extension, without any obligation on the lessor's part to reimburse the lessee for the value thereof.

Should the lessor decide, at its sole discretion, that it does not wish to retain any of the said additions, alterations and improvements, it shall so advise the lessee at least 60 days prior to the termination of the Contract, and the lessee hereby undertakes to remove such additions, alterations and improvements from the leased office units at its sole expense.

Said obligation is considered contingent since the existence will be confirmed only by the occurrence or non-occurrence of an uncertain future event, i.e., lessor's decision prior to termination of contract.

22. REGISTRATION WITH PHILIPPINE ECONOMIC ZONE AUTHORITY

As discussed in Note 1, the Company was registered with PEZA to set up an I.T.-enabled facility to perform information technology outsourcing services and BPO to all types of enterprises, organizations, entities and companies at the E-Square Information Technology Park, Bonifacio Global City, Taguig City. As a registered enterprise, the Company's project shall be entitled to incentives granted to non-pioneer projects under R.A. 7916 (The Special Economic Zone Act of 2005), as amended, and the PEZA IT. Guidelines.

Incentives include the following:

a. Corporate Income Tax Holiday (ITH) for four (4) years for original project effective on the committed date of start of commercial operations, or the actual date of start of commercial operations, whichever is earlier; ITH entitlement for the original project can also be extended for another three years provided specific criteria are met for each additional year and prior PEZA approval is obtained; duly approved and registered "Expansion" and "New" projects are entitled to a three-year and four-year ITH, respectively;

b. Tax and duty-free importation of merchandise which include raw materials, capital equipment, machineries, and spare parts;

c. Exemption from wharfage dues and export tax, impost, or fees;

d. VAT zero-rating of local purchases subject to compliance with Bureau of Internal Revenue (BIR) and PEZA requirements; and

e. Exemption from payment of any and all local government imposts, fees, licenses or taxes except real estate tax; however, machinery installed and operated in the ecozone for manufacturing, processing or for industrial purposes shall not be subject to payment of real estate taxes for the first three years of operation of such machineries; production equipment not attached to real estate shall be exempt from real property taxes.

At the end of ITH, the following incentives shall apply:

a. The Company shall pay a 5% final tax on gross income, in lieu of all national and local taxes.

b. Additional deduction for training expenses (1/2 of value) against the 5% tax on gross income earned, but not to exceed 3%, subject to guidelines to be formulated by PEZA in coordination with the Department of Labor and Employment and the Department of Finance.

The 9th Floor of Entec2 Building, IT Services and Processing Outsourcing was under ITH until August 2019 and obtained an extension until August 2021. The 8th Floor of Entec2 Building, IT Services and Processing Outsourcing was under ITH until August 2021.

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of the Company's financial assets and financial liabilities are shown below:

	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	**P370,499,151**	**P370,499,151**	P551,873,393	P551,873,393
Trade receivables	**1,309,072,184**	**1,309,072,184**	767,990,573	767,990,573
Refundable deposits	**78,661,480**	**78,661,480**	70,602,497	70,602,497
	P1,758,232,815	**P1,758,232,815**	P1,390,466,463	P1,390,466,463
Financial Liabilities				
Trade and other payables*	**P920,440,754**	**P920,440,754**	P711,595,288	P711,595,288
Lease liabilities	**765,976,074**	**765,976,074**	788,072,923	788,072,923
	P1,686,416,828	**P1,686,416,828**	P1,499,668,211	1,499,668,211

**Excluding non-financial instruments amounting to P395.21million and P299.58 million as at March 31, 2022 and 2021, respectively.*

The difference between the carrying amount of the trade and other payables disclosed in the statements of financial position and the amount disclosed in this note pertains to government payables, provisions and deferred revenues that are not considered as financial liabilities.

Due to the short-term maturities of cash, trade receivables, other receivables, current refundable deposits and trade and other payables, their carrying amounts approximate their fair values.

The fair value of noncurrent refundable deposits cannot be measured reliably since there were no comparable market data and inputs for the sources of fair value such as discounted cash flow analysis. However, Management believes that their carrying amounts approximate their fair values. Fair value measurement of lease liabilities is not required.

24. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks such as market risks (including foreign exchange risk and interest rate risk), credit risk and liquidity risk The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The policies for managing specific risks are summarized below:

Market Risk

Market risk refers to the possibility that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's profit or the value of its holdings of financial instruments. The Company focuses on two market risk areas such as interest rate risk and foreign currency risk. The objective and management of these risks are discussed below:

Foreign Exchange Risk

Foreign exchange risk arises when an investment's value changed due to changes in currency exchange rate. The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise with respect to transactions other than the functional currency. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Significant fluctuation in the exchange rates could significantly affect the Company's financial position. The exposure is managed partly by natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies. The Company kept its foreign currency transaction at a minimum to minimize the effect of foreign currency fluctuations.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and their Philippine peso equivalents at the end of each reporting period are as follows:

		As at March 31, 2022		As at March 31, 2021	
	Currency	Currency Amount	PHP	Currency Amount	PHP
Financial Assets					
Cash	USD	**1,306,516**	**67,618,076**	3,778,827	183,395,925
	AUD	**6,488**	**251,049**	6,355	234,936
			67,869,125		183,630,861
Trade receivables	USD	**14,396,107**	**745,070,601**	5,397,217	261,816,794
	GBP	**2,396,168**	**162,805,100**	1,592,107	106,383,836
	AUD	**3,669,634**	**142,004,629**	2,581,628	95,435,579
	EUR	**(54,919)**	**(3,165,495)**	658,320	37,782,364
	MYR	**14,440**	**177,672**	-	-
	AED	**5,552**	**78,230**	-	-
	KRW	**15,896,222**	**678,864**	-	-
	SGD	**(21,009)**	**(803,027)**	-	-
			P1,046,846,574		501,418,573
Financial Liabilities					
Trade and other payables	USD	**2,628,884**	**136,574,606**	1,361,542	66,079,022
	EUR	**5,463**	**314,897**	84,733	4,829,490
	SGD	**-**	**-**	25,059	904,408
	INR	**7,179,224**	**4,908,572**	106,500	70,416
	GBP	**209,005**	**14,200,653**	(101,638)	(6,791,417)
	AUD	**(97,403)**	**(3,769,232)**	(386,575)	(14,290,586)
			152,229,496		50,801,333
			P962,486,203		P634,248,100

Foreign exchange rates as at March 31 are shown in the following table:

	2022	2021
Closing exchange rate:		
USD	**51.75**	48.53
AUD	**38.70**	36.97
GBP	**67.94**	66.82
INR	**0.68**	0.66
EUR	**57.64**	57.00
MYR	**12.30**	11.71
AED	**14.09**	13.21
KRW	**0.04**	0.04
SGD	**38.22**	36.09

The sensitivity rate used in reporting foreign currency risk internally to key management personnel is 10% and it represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% in foreign currency rates. The sensitivity analysis includes all the Company's foreign currency denominated monetary assets and liabilities.

The table below details the Company's sensitivity to a 10% increase and decrease in the Philippine Peso against the relevant foreign currencies. The sensitivity rate used reporting foreign currency risk internally to key management personnel is 10% and it represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% in foreign currency rates. The sensitivity analysis includes all the Company's foreign currency denominated monetary assets and liabilities. A positive number below indicates an increase in profit when the Philippine Peso strengthens 10% against the relevant currency. For a 10% weakening of the Philippine Peso against the relevant currency, there would be an equal and opposite impact on the profit and the balances below would be negative.

	March 31, 2022	
	Effect on Income before Income Tax	
	10% Increase in the Exchange Rate	10% Decrease in the Exchange Rate
USD	**67,611,408**	**(67,611,408)**
GBP	**14,860,444**	**(14,860,444)**
SGD	**(80,302)**	**80,302**
AUD	**14,602,490**	**(14,602,490)**
INR	**(490,857)**	**490,857**
MYR	**17,767**	**(17,767)**
EUR	**(348,039)**	**348,039**
AED	**7,823**	**(7,823)**
KRW	**67,886**	**(67,886)**
	96,248,620	**(96,248,620)**

	March 31, 2021	
	Effect on Income before Income Tax	
	10% Increase in the Exchange Rate	10% Decrease in the Exchange Rate
USD	P37,907,833	(P37,907,833)
AUD	10,996,110	(10,996,110)
GBP	11,317,525	(11,317,525)
EUR	3,269,245	(3,269,245)
MYR	-	-
INR	(7,042)	7,042
SGD	(90,441)	90,441
	P63,393,230	(P63,393,230)

Management does not foresee or expect any significant change in its foreign currency risk exposures or in the strategies it employs to manage them soon.

Interest Rate Risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest.

The primary source of the Company interest rate risk relates to cash in banks. The interest rates on these assets ate disclosed in Note 5 to the financial statements.

The cash in banks are short-term in nature and with the current interest rate level, any variation in the interest will not have a material impact on profit or loss of the Company.

Credit Risk

Credit risk refers to the possibility that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, when appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The following table presents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

	Note	As at March 31, 2022	As at March 31, 2021
Cash in banks	5	**P125,100,191**	P210,768,393
Cash equivalents	5	**245,000,000**	340,000,000
Trade receivables	6	**1,309,072,184**	767,990,573
Refundable deposits	7, 10, 23	**78,661,480**	70,602,497
		P1,757,833,855	P1,389,361,463

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

As at March 31, 2022 and 2021, the aging analysis of the Company's financial assets is as follows:

	Neither Past Due nor Impaired	Past Due Account but not Impaired				Impaired Financial Assets	Total
		1-90 Days Past Due	91-180 Days Past Due	181-270 Days Past Due	Over 271 Days Past Due		
2022							
Cash in banks	**P125,100,191**	**P -**	**P -**	**P -**	**P -**	**P -**	**P125,100,191**
Cash equivalents	**245,000,000**	**-**	**-**	**-**	**-**	**-**	**245,000,000**
Trade receivables	**1,309,063,606**	**-**	**-**	**-**	**-**	**8,578**	**1,309,072,184**
Refundable deposits	**78,661,480**	**-**	**-**	**-**	**-**	**-**	**78,661,480**
	P1,757,825,277	**P -**	**P -**	**P -**	**P -**	**P8,578**	**P1,757,833,855**

	Neither Past Due nor Impaired	Past Due Account but not Impaired				Impaired Financial Assets	Total
		1-90 Days Past Due	91-180 Days Past Due	181-270 Days Past Due	Over 271 Days Past Due		
2021							
Cash in banks	P210,768,393	P -	P -	P -	P -	P -	P210,768,393
Cash equivalents	340,000,000	-	-	-	-	-	340,000,000
Trade receivables	680,763,857	62,372,254	-	-	-	24,854,462	767,990,573
Other receivables	-	-	-	-	-	-	-
Refundable deposits	70,602,497	-	-	-	-	-	70,602,497
	P1,302,134,747	P62,372,254	P -	P -	P -	P24,854,462	P1,389,361,463

The Company provided an allowance on past due account that believed to be impaired. Management believes that there is no change in the credit quality of financial assets from the date credit was initially granted up to the end of each reporting period.

The table below details the credit quality of the Company neither past due nor impaired financial assets:

	Neither Past Due nor Impaired		
	High Grade	Satisfactory Grade	Total
2022			
Cash in banks	**P125,100,191**	**P -**	**125,100,191**
Cash equivalents	**245,000,000**	**-**	**245,000,000**
Trade receivables	**1,309,063,606**	**-**	**1,309,063,606**
Refundable deposits	**-**	**78,661,480**	**78,661,480**
	P1,679,163,797	**P78,661,480**	**P1,757,825,277**

	Neither Past Due nor Impaired		
	High Grade	Satisfactory Grade	Total
2021			
Cash in banks	P210,768,393	P -	P210,768,393
Cash equivalents	340,000,000	-	340,000,000
Trade receivables	680,763,856	-	680,763,856
Other receivables	-	-	-
Refundable deposits	-	70,602,497	70,602,497
	P1,231,532,249	P70,602,497	P1,302,134,746

The Company uses internal ratings to determine the credit quality of its financial assets. These have been mapped to the summary rating below.

High Grade - This applies to highly rated financial obligors, strong corporate counterparties, and personal borrowers with whom the Company has excellent repayment experience.

Satisfactory Grade - This applies to financial assets that are performing as expected, including loans and advances to small and medium sized entities and recently established businesses.

Acceptable Grade - This applies to counterparties with risk profiles that are subject to closer monitoring and scrutiny with the objective of managing risk and moving accounts to improved rating category.

Low Grade - This applies to risks that is neither past due nor expected to result in loss but where the Company requires a workout of the relationship unless an early reduction in risk is achievable.

Cash in Banks and Cash Equivalents

Cash in banks and cash equivalents are held with counterparties with high external credit ratings. The credit quality of these financial assets is high grade. Impairment on cash in banks and cash equivalents have been measured on a 12-month ECL basis and reflects the short maturities of the exposures. The Company considers that its cash in banks and cash equivalents have low risk based on the external credit ratings of its counterparties.

Trade Receivables

The Company computes impairment loss on trade receivables based on past collection experiences, current circumstances, and the impact of future economic conditions, if any, available at the reporting period. Loss rates are based on actual credit loss experience. Any adjustments to the loss rates for forecasts of future economic conditions are not expected to be material. The Company applies the simplified approach in providing for ECL prescribed by PFRS 9, which permits the use of the lifetime expected loss provision and applies a provision matrix. The maturity of the Company's trade receivables is less than one year so the lifetime expected credit losses and the 12-month expected credit losses are similar.

Other Receivables and Refundable Deposits

With respect to credit risk arising from other receivables and refundable deposits, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these financial assets. The Company trades only with reputable and recognized third parties.

Liquidity Risk

Liquidity risk is the possibility that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows. The Company maintains adequate highly liquid assets in the form of cash and cash equivalents to assure necessary liquidity.

25. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholders. The Company is governed by the following fundamental strategies:

a. The Company enters bank guarantee for some operational transactions.

b. It does not enter high risk security or equity investments. The Company's overall strategy remains unchanged from 2015.

The capital structure of the Company consists of equity attributable to the shareholders comprising of share capital and retained earnings.

Equity is defined as capital and retained earnings of the Company, while assets include current and noncurrent assets.

The Company's equity ratio is as follows:

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	As at March 31, 2022	As at March 31, 2021
Total equity	**P771,381,135**	P634,650,644
Total assets	**3,026,100,156**	2,584,894,820
Equity ratio	**0.25:1**	0.25:1

The Company has not externally imposed capital requirement. There was no change in the Company's approach to capital management for the years ended March 31, 2022 and 2021.

26. CONTINGENT LIABILITIES AND COMMITMENT

The Company has contractually committed P15.60 million and P15.68 million as at March 31, 2022 and 2021 respectively, for purchase of property, plant, and equipment. The company has given financial guarantees worth P45.67 million and P42.84 million as at March 31, 2022 and 2021, respectively.

The Company has recognized contingent liability in respect of tax demand received from tax authority during the year of P85.63 million and nil as at March 31, 2022 and 2021, respectively. This demand order is being contested by the Company based on the management evaluation and advise of tax consultant.

27. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR) UNDER REVENUE REGULATIONS (RR) NO. 15-2010

In addition to the disclosures mandated under PFRS, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRS. Following are the tax information required for the taxable period ended March 31, 2022:

A. VAT

	Amount
Output VAT	**P69,856,150**
Basis of the Output VAT	
Vatable sales	**P582,134,586**
Exempt sales	**-**
Zero-rated sales	**4,568,923,776**
	P5,151,058,362

	Amount
Input VAT	
Beginning of the year	**P2,688,193**
Current year's domestic purchases:	
Domestic purchases of goods other than capital goods	**368,386**
Purchase of capital goods exceeding 1 million	**8,207,594**
Purchase of capital goods not exceeding 1 million	**-**
Importation of goods other than capital goods	**-**
Domestic purchases of services	**692,874**
Total	**11,957,047**
Less: Input VAT applied the year	**(2,688,193)**
Balance at the end of the period	**P9,268,854**

B. Withholding Taxes

	Amount
Withholding tax - compensation	**P345,174,602**
Withholding tax - expanded	**26,361,735**
Withholding tax - final	**39,726,583**
Fringe benefit tax	**1,196,728**
	P412,459,648

C. All Other Taxes (Local and National)

Details of the Company's other taxes and licenses and permits paid or accrued during 2022 are as follows:

	Amount
Charged to Cost of Services	
PEZA processing fee for local sales, permit fees	**P5,055,069**
Charged to General and Administrative Expenses	
Permit fees, fringe benefit tax	**2,219,530**
	P7,274,599

D. As at March 31, 2022 the company received Preliminary Assessment Notice

During the Fiscal year 2021-22, company received a Preliminary Assessment Notice from the Bureau of Internal Revenue covering fiscal year 2019, amount of PHP 361 Mn (Including Base Amount, Penalty & Interest) for deficiency taxes on Income Tax, Withholding Tax, Final Tax, Fringe Benefit Tax, Documentary Stamp Tax, Withholding Vat, Value-Added Tax. This demand order is being contested by the Company based on the management evaluation and advise of tax consultant.

Information on amounts of customs duties, tariff fees and excise taxes are not applicable, since there is not transaction that the Company will be subjected to these taxes during the year.

SCHEDULE OF RECONCILATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION FOR THE YEAR ENDED MARCH 31, 2022

		Amount
Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning		**P313,684,064**
Add: Net income actually earned/realized during the period		
Net income during the period closed to Retained Earnings	382,788,109	
Less: Non-actual/unrealized income net of tax	-	
Equity in net loss (income) of associate/joint venture	-	
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	-	
Unrealized actuarial gain	-	
Fair value adjustments (M2M gains)	-	
Fair value adjustment of Investment Property resulting to gain	-	
Adjustment due to deviation from PFRS/GAAP-gain	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total	382,788,109	
Add: Non-actual losses		**-**
Depreciation on revaluation increment (after tax)	-	**-**
Unrealized foreign exchange loss - net (except those attributable to Cash and Cash Equivalents)	35,934,698	**-**
Deferred tax expense	-	
Adjustment due to deviation from PFRSs/GAAP - loss	-	
Loss on fair value adjustment of investment property (after tax)	-	
Net income actually earned during the period		**418,722,807**
Add (Less):		
Dividend declarations paid during the period		**(260,000,000)**
Issuance of shares through stock dividends		**-**
Appropriations		**100,000,000**
Effects of prior period adjustments		**-**
Treasury shares		**-**
Total Retained Earnings, end available for dividend		**P372,406,871**

Tata Consultancy Services Japan, Ltd

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2022

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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INDEPENDENT AUDITOR'S REPORT

(TRANSLATION) May 10, 2022

TO THE BOARD OF DIRECTORS OF
TATA CONSULTANCY SERVICES JAPAN, LTD.

KPMG AZSA LLC Tokyo Office
Yasuhisa Yajima (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of Tata Consultancy Services Japan, Ltd. ("the Company") as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate Auditors for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act at the Company's responsibility.

Balance Sheet as of 31 March 2022

(In Millions of Yen)

Accounts	Amount	Accounts	Amount
(ASSETS)		**(LIABILITIES)**	
Current assets	**23,116**	**Current liabilities**	**16,447**
Cash and deposits	9,539	Accounts payable-trade	5,347
Notes, Accounts receivable and Contract assets	12,210	Lease obligations	93
Merchandise	268	Accounts payable-other	169
Supplies	7	Accrued expenses	2,745
Prepaid expenses	974	Accrued income taxes	1,339
Other current assets	119	Accrued consumption taxes	1,385
Provision for doubtful debts	(3)	Unearned revenue	1,356
		Advances received	2
		Provision for bonuses	3,408
		Provision for loss on contracts	7
Non-current assets	**18,075**	Other current liabilities	591
Tangible fixed assets	**925**		
Buildings	360	**Non-current liabilities**	**921**
Tools, furniture and fixtures	324	Lease obligations	175
Leased assets	238	Asset retirement obligations	739
Construction in progress	2	Other non-current liabilities	5
Intangible fixed assets	**124**	**Total Liabilities**	**17,369**
Software	124	**(EQUITY)**	
		Shareholders' equity	**23,822**
		Common stock	**4,327**
		Capital surplus	**2,942**
Investments and other assets	**17,025**	Legal capital surplus	2,352
Long-term prepaid expenses	127	Other capital surplus	590
Guarantee deposits	1,342	**Retained earnings**	**16,552**
Long-term time deposits	13,000	Legal reserve	58
Deferred tax assets	2,445	Other retained earnings	16,494
Other non-current assets	109	Retained earnings brought forward	16,494
		Total Equity	**23,822**
TOTAL ASSETS	**41,192**	**TOTAL LIABILITIES AND EQUITY**	**41,192**

(Amounts less than one million yen are rounded down)

THE NOTES ON PAGES 29.7 TO 29.12 FORM PART OF THESE FINANCIAL STATEMENTS

Statement of Income from April 1, 2021 to March 31, 2022

(In Millions of Yen)

Accounts	Amount	
Net sales		75,101
Cost of sales		54,650
GROSS PROFIT		20,450
Selling, general and administrative expenses		15,130
OPERATING INCOME		**5,319**
Non-operating income		
Foreign Exchange Gains	330	
Other income	117	447
Non-operating expenses		
Interest expenses	4	
Other loss	0	4
ORDINARY INCOME		**5,763**
Extraordinary gain		
Gain on sale of fixed assets	2	2
Extraordinary loss		
Loss on sale of fixed assets	9	9
INCOME BEFORE INCOME TAXES		**5,755**
Income taxes-current	1,826	
Income taxes-deferred	(49)	1,777
NET INCOME		**3,978**

(Amounts less than one million yen are rounded down)

THE NOTES ON PAGES 29.7 TO 29.12 FORM PART OF THESE FINANCIAL STATEMENTS

Statement of Changes in Equity from April 1, 2021 to March 31, 2022

(In Millions of Yen)

	Shareholders' Equity								Total Equity
	Common stock	Capital surplus			Retained earnings			Shareholders' Equity Total	
		Legal capital suplus	Other capital surplus	Total	Legal reserve	Other retained earnings: Retained earnings brought forward	Total		
Balance as of April 1, 2021	**4,327**	**2,352**	**590**	**2,942**	**58**	**14,165**	**14,223**	**21,494**	**21,494**
Changes during the period									
Dividends of surplus						**(1,649)**	**(1,649)**	**(1,649)**	**(1,649)**
Net income						**3,978**	**3,978**	**3,978**	**3,978**
Total Changes during the period	**-**	**-**	**-**	**-**	**-**	**2,328**	**2,328**	**2,328**	**2,328**
Balance as of March 31, 2022	**4,327**	**2,352**	**590**	**2,942**	**58**	**16,494**	**16,552**	**23,822**	**23,822**

(Amounts less than one million yen are rounded down)

THE NOTES ON PAGES 29.7 TO 29.12 FORM PART OF THESE FINANCIAL STATEMENTS

Notes forming part of the Financial Statements

(Notes to Significant Accounting Policies)

1. VALUATION STANDARD AND METHOD OF INVENTORY (MERCHANDISE, SUPPLIES)

At cost determined by the specific identification method (The balance sheet amount has been determined at the lower of cost and net realizable value.)

2. DEPRECIATION METHOD OF FIXED ASSETS

(1) Tangible fixed assets excluding leased assets:

Straight-line method:	Major useful lives are as follows:
Buildings	5-10 years
Tools, furniture and fixtures	4-10 years

(2) Intangible fixed assets excluding leased assets

Software

Internal use:	Straight-line method over the anticipated useful period (2-7 years)

(3) Leased assets

Finance leases that do not transfer ownership of leased assets to the lessee:

Depreciation is computed using the straight-line method based on the lease term or the applicable useful life of an owned fixed asset, whichever is shorter, with a residual value of zero.

3. PROVISION

(1) Provision for doubtful debts

The Company provides for possible credit losses stemming from monetary claims and other receivables. Estimates of irrecoverable amounts are determined by considering historical loan-loss ratios for general receivables and on consideration of recoverable amounts on a case-by-case basis in instances of suspected bad debt or other dubious accounts.

(2) Provision for bonuses

Provision for bonuses is recorded based on estimated bonus payment amounts.

(3) Provision for loss on contracts

In anticipation of loss arising from contracts, the excess of estimated cost over the project order amount is recorded for projects for which the loss is foreseeable and the amount can be reasonably estimated.

4. RECOGNITION OF REVENUES AND COSTS

For system integration contracts, etc., we assume an obligation to fulfill the provision of products and services in accordance with customer specifications, and as the obligation is satisfied over a certain period of time, revenue is recognized in accordance with the manner in which expenses are incurred (such as the progress measured as the ratio of actual costs to total estimated costs). With respect to maintenance and support service contracts, we have obligations to provide support services related to product maintenance and software development, etc., and because these obligations are fulfilled over a certain period of time, we recognize revenues based on a percentage of the total amount of goods or services transferred (the Output Method) or as time passes.

For products such as hardware equipment, revenue is recognized upon transfer of control because performance obligations are satisfied primarily when products are sold and the delivery to the customer is completed.

Transaction prices are measured based on the amount of consideration that the company expects to be entitled to in exchange for the transfer of promised goods or services to customers. The amount of consideration promised does not include important financial factors.

5. ACCOUNTING TREATMENT OF CONSUMPTION TAXES

Accounting treatment of consumption taxes is based on the tax exclusion method.

(Notes on Accounting Estimates)

Items whose amounts are recorded in the financial statements for the current fiscal year based on accounting estimates and which may have a material impact on the financial statements for the following fiscal year are as follows.

Deferred tax assets 2,445 million yen

Provision for loss on order received 7 million yen

Information on important accounting estimates for identified items

The recognition of deferred tax assets takes into account the possibility that deductible temporary differences may be made available to taxable income in the future. In assessing the recoverability of deferred tax assets, the expected reversal of deferred tax liabilities, expected future taxable income and tax planning are taken into account.

Our company estimates deferred tax assets based on its past taxable income levels and future business plans for the periods in which deferred tax assets can be recognized and believes that the calculation is reasonable. However, the projections of future taxable income may change depending on market trends and economic conditions surrounding our company.

Please refer to "Notes on Items Related to Important Accounting Policies 3. Accounting Standard for the Provision (3) Reserve for Loss on Orders Received" for the accounting standard of the reserve for loss on orders received.

(Notes to Changes in Accounting Policies)

1. Application of Accounting Standards for Revenue Recognition

"The Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, 31 March 2020. and "The Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30,26 March 2021) (hereinafter referred to as "Accounting Standard for Revenue Recognition", etc) have been applied since the beginning of the current fiscal year. The adoption of the Accounting Standard for Revenue Recognition, etc. is in accordance with the transitional treatment set forth in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition, but has no impact on the balance of retained earnings at the beginning of the current period. There is no impact on profit and losses and per share information for the current fiscal year.

2. Application of Accounting Standards for Calculation of Market Value

"Accounting Standard for Calculation of Market Value "(ASBJ Statement No. 30, 4 July 2019. (hereinafter referred to as "Current Value Accounting Standard".), etc. have been applied since the beginning of the current fiscal year, and in accordance with the transitional treatment set forth in Paragraph 19 of "Accounting Standard for Calculation of Market Value" and Paragraph 44-2 of "Accounting Standard for Financial Instruments"(ASBJ Statement No. 10, 4 July 2019), the new accounting policy set forth in Current Value Accounting Standard, etc. will be applied in the future. There is no effect on the financial statements.

(Notes to Balance Sheet)

1. Of notes receivable, accounts receivable and contract assets, the amounts of receivables and contract assets arising from contracts with customers are as follows, respectively:

Notes receivable:	¥ 4 million
Accounts receivable	¥ 11,164 million
Contract assets	¥ 1,041 million

2. Financial assets and liabilities from/to affiliates:

Short-term financial assets	¥ 1,543 million
Short-term financial liabilities	¥ 3,641 million

Notes forming part of the Financial Statements

3. Accumulated depreciation of tangible fixed assets ¥ 5,948 million

The accumulated depreciation includes accumulated impairment losses.

(Notes to Statement of Income)

1. Transactions with affiliates

Operating transactions

Net sales	¥ 15,961 million
Cost of sales	¥ 15,781 million
Selling, general and administrative expenses	¥ 1,103 million

(Notes to Statement of Changes in Equity)

1. Number of issued shares as of the end of the fiscal year

Common Stock	94,969 shares

2. Dividends

(1) Payments of dividends

Resolution	Type of shares	Source of dividends	Total amount of dividends (in Million Yen)	Dividends per share (in Yen)	Record date	Effective date
The Shareholders' Meeting on May 17, 2021	Common stock	Retained earnings	1,649	17,372	March 31st 2021	May 18th 2021

(2) Dividends for which the record date is in the year ended March 31, 2022, but for which the effective date is in the next fiscal year

During the shareholders' meeting in May 2022, resolution as follows is expected to be resolved:

Resolution	Type of shares	Source of dividends	Total amount of dividends (in Million Yen)	Dividends per share (in Yen)	Record date	Effective date
The Shareholders' Meeting on May 17, 2022	**Common stock**	**Retained earnings**	**1,989**	**20,947**	**March 31st, 2022**	**May 18th, 2022**

(Notes to Revenue Recognition)

Basic information to understand revenue

Is as follows Recognition of revenues and costs in [Notes to Significant Accounting Policies]

[Notes to Tax Effect Accounting]

Significant components of deferred tax assets and liabilities

Deferred tax assets

(In Millions of Yen)

Provision for bonuses	1,043
Accrued expenses	547
Depreciation	194
Asset retirement obligation	228
Social security payable	223
Long-term prepaid expenses	103
Accrued enterprise taxes	96
Provision for loss on contracts	2
Inventory write-down	24
Accrued business establishment tax	22
Others	36
Deferred tax assets Subtotal	2,524
Valuation allowance	(25)
Deferred tax assets Total	2,498

Deferred tax liabilities

Asset retirement obligation (assets)	(53)
Deferred tax liabilities Total	(53)
Net deferred tax assets	2,445

(Notes to financial instruments)

(1) Policy on financial instruments

The Company makes efforts to limit credit risk of customers affecting notes receivable and accounts receivable in line with the Risk Management Rule and Risk Management Practice Rule.

(2) Fair value of financial instruments

Carrying values on the balance sheet, fair values and the differences as of March 31, 2022 are as follows. Notes on cash are omitted and deposits, notes and accounts receivable, accounts payable, accrued income taxes, and accrued consumption taxes are also omitted because they are settled in a short period of time and their fair values approximate their book values.

(In Millions of Yen)

	Carrying value	Fair value	Difference
(1) Guarantee deposits	1,342	1,341	(1)
(2) Long-term time deposits	13,000	13,000	-

(Note 1) Fair value calculation method for financial instruments

(1) The fair value of guarantee deposits is calculated by using the estimated discount rate based on the forecasted redemption period.

(2) The contract interest rate is almost equal to an interest rate applied to new deposits and the market value is close to the book value. Thus, the book value is used.

Notes forming part of the Financial Statements

(Notes to Transactions with Related Parties)

1. Parent Company

(In Millions of Yen)

Attribute	Name	Voting Rights	Relationship	Transaction Details	Transaction Amount	Accounts	Ending balance
Parent	Tata Consultancy Services Limited	66% indirectly owned	System Development consignment, Co-headed directors	Receiving of services	15,733	Accounts payable-trade	3,239

Transaction terms and decision policies

(Note) Ordinary transaction terms are the same as those of other third parties.

2. Affiliates

(In Millions of Yen)

Attribute	Name	Voting Rights	Relationship	Transaction Details	Transaction Amount	Accounts	Ending balance
Other affiliate	Mitsubishi Corporation	34% directly owned	System Development Turnkey, Co-headed Directors	Net sales	15,170	Accounts receivable	917

Transaction terms and decision policies

(Note) Ordinary transaction terms are the same as those of other third parties.

(Notes to Per Share Information)

1. **Net assets per share** ¥ 250,848
2. **Net income per share** ¥ 41,893

The 26th (FY2022) Supplementary Schedule From April 1, 2021 To March 31, 2022

1. TANGIBLE FIXED ASSETS AND INTANGIBLE FIXED ASSETS

(In Millions of Yen)

Category	Asset type	Beginning book value	Increase for the period	Decrease for the period	Depreciation for the period	Ending book value	Accumulated depreciation	Ending acquisition cost
Tangible fixed assets	Buildings	527	33	3	196	360	2,580	2,940
	Tools, furniture and fixtures	407	115	3	194	324	3,172	3,496
	Leased assets	292	36	3	86	238	196	434
	Construction in progress	1	2	1	-	2	-	2
	TOTAL	**1,229**	**187**	**12**	**478**	**925**	**5,948**	**6,874**
Intangible fixed assets	Software	144	47	0	67	124		
	Lease assets	10	-	0	10	-		
	Software in progress	2	-	2	-	-		
	TOTAL	**157**	**47**	**2**	**77**	**124**		

1. Increase in Tools, furniture and fixtures includes ¥ 75 million for EIS Digital Lab and work relating to new office at Nagoya.
2. Accumulated depreciation of "tools, furniture and fixtures" includes accumulated impairment loss of 1 million yen.

2. DETAILS OF PROVISIONS

(In Millions of Yen)

Division	Beginning balance	Increase for the period	Decrease for the period	Ending balance
Provision for doubtful debts	16	3	16	3
Provision for bonuses	3,105	3,408	3,105	3,408
Provision for loss on contracts	18	7	18	7

The basis for accounting and calculation is stated in "3. Provision" under "Notes to the Significant Accounting Policies".

3. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

(In Millions of Yen)

Accounts	Amount
Employee salary	6,734
Employee retirement benefit expenses	207
Employee bonuses	1,481
Welfare benefits	1,654
Office expenses	1,247
Depreciation and amortization	333
Travel expenses	65
Entertainment	10
Office supplies	17
Information processing	560
Commissioned services	439
Tax and public charge	445
Advertising & publicity	222
Provision for doubtful debts	(13)
Others	1,723
Total	**15,130**

Tata Consultancy Services Italia S.r.l.

Annual Report and Financial Statements
For the year ended
March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

MANAGEMENT REPORT

REPORT OF THE BOARD OF DIRECTORS OVER THE PERIOD ENDED ON 31 MARCH 2022

To the Sole Shareholder,

compliant to the provisions of Art. 2428 of Civil Code, the Report of the Board of Directors, the management report and the results for the period ended on 31/03/2022 given below true and fair and exhaustive account about the state of the company, its management and its results as well as about the activities performed by the company during the current business year; the Report also provides information about the risks which the company is exposed to.

COMPANY ACTIVITIES

The company provides IT consultancy services and solutions. The broad range of services enables the company to provide comprehensive and high value-added services to its clients.

The Company is owned 100% by Tata Consultancy Services Netherlands B.V. with legal seat at Amsterdam, European headquarter of the holding company Tata Consultancy Services Limited, located at Mumbai (India). The sole shareholder also provides Management and coordination activity.

The group structure did not change during the previous year.

The company headquarter and legal office is in MILANO. The Company structure includes the following operating units based in via Panciatichi 31, Firenze, in via Giovanni Verga 12, Maranello (MO) and in via Confienza 10, Torino.

COMPANY PERFORMANCE

The financial statements submitted for your approval show a profit of Euros 1.934.181; the main factors influencing the annual result are as follows:

- A decrease in operating profitability;
- a decrease in revenues.

The tables below summarize the balance of assets and the company's performance over the period, outlining the factors above mentioned:

(EUR)

Balance Sheet	Balance as at March 31, 2021	Difference	Balance as at March 31, 2022
Receivables from shareholders for payments due	-	-	**-**
Fixed assets	125.095	(25.326)	**99.769**
Current assets	17.511.927	2.208.800	**19.720.727**
Accruals and deferrals	180.507	(44.258)	**136.249**
TOTAL ASSETS	17.817.529	2.139.216	**19.956.745**
Net worth:	6.715.444	1.934.181	**8.649.625**
- of which operating profit (loss)	3.001.150	(1.066.969)	**1.934.181**
Contingency funds for risks and future	71.198	(71.198)	
Severance pay	988.836	156.267	**1.145.103**
Short term debts	9.626.931	535.086	**10.162.017**
Long term debts	-	-	**-**
Accruals and deferrals	415.120	(415.120)	**-**
TOTAL LIABILITIES	17.817.529	2.139.216	**19.956.745**

(EUR)

Description	Previous financial year balance	% of revenue	Current financial year balance	% of revenue
Revenue from typical operations	47.843.181	-	**45.577.231**	**-**
Variation in stocks of products currently being processed, semi-finished and finished products and fixed assets increase	-	-	**-**	**-**
Purchases and variation in stocks of raw materials, ancillary materials, consumables and goods	1.124.467	2,35	**1.218**	**0,00**
Costs for services and for use of third-party assets	28.190.705	58,92	**28.796.058**	**63,18**
ADDED VALUE	18.528.009	38,73	**16.779.955**	**36,82**
Revenue from ancillary operations	170.215	0,36	**354.267**	**0,78**
Cost of labour	13.329.866	27,86	**13.499.070**	**29,62**
Other operating costs	37.776	0,08	**61.235**	**0,13**
GROSS OPERATING MARGIN	5.330.582	11,14	**3.573.917**	**7,84**
Depreciations, write-offs and other appropriations	121.736	0,25	**55.663**	**0,12**
ORDINARY RESULTS	5.208.846	10,89	**3.518.254**	**7,72**
Financial charges and proceeds and value adjustments to financial assets and liabilities	(101.907)	(0,21)	**52.152**	**0,11**
PRE-TAX RESULT	5.106.939	10,67	**3.570.406**	**7,83**
Income tax	2.105.789	4,40	**1.636.225**	**3,59**
OPERATING POFIT (LOSS)	3.001.150	6,27	**1.934.181**	**4,24**

Below are comments over several areas of the company's overall performance.

MACROECONOMIC TREND AND MARKET CONDITIONS

The last financial year was characterised by a recover of economic situation, due to an increase of the international commercial activities and to an increase of the productions. For Italy there was an increase of PIL +4.7% and there is an estimation of an increase also in 2022 of 4.4%.

The Company was continuously monitoring the situation in the above circumstances . Top priority was given to safeguarding the health of employees and, taking advantage of the fact that the company already used agile working situations extensively with a large majority of its employees, except for those who strictly had to work at the headquarters (logistics and production area). The sales force reduced visits to customers to a minimum, working mainly remotely with IT tools (email and videoconferencing systems).

The continuing COVID-19 pandemic emerged as a global challenge, creating continuous disruption across the world. Governments and organizations across the world are continuing to support through significant actions, to address the challenges posed by this critical situation.

While the Company continues to leverage its strong portfolio of services to partner with its diversified customers, the impact on future revenue streams could come from, customers postponing their discretionary spend due to change in priorities, coupled with inability of the customers to continue their business.

The Company throughout the year took proactive measures, such as travel restrictions, safe working environments and regular connect with the employees to ensure their health and safety, which has helped to minimize the impact.

The Company institutionalized its Secure Borderless Work Space (SBWS) model, which allowed its employees to work from home, with support from minimal associates working from office, to ensure business support to all its customers. The Company was able to seamlessly adapt and extend this model to prospect for new business, sell, contract and execute programs with strong cybersecurity framework, project management practices and systems needed to ensure that work allocation, monitoring and reporting continued as normal.

MARKET STRATEGY

The target market of your company is software consultancy. The target customer group did not experience any particular changes during the year. In fact, the markets in which Tata Consultancy Services Italia Srl is engaged, are traditional ones in which the ultimate Indian parent company is well recognized worldwide.

The Company has a prestigious pool of clients including the best Italian companies.

Sales by country are detailed below:

(EUR)

Geographic area	Previous financial year balance	Variation	Var, %	Current financial year balance
Italy	41.598.200	**(41.598.200)**	**(2,89)**	**40.397.689**
Europe	4.224.078	**(4.224.078)**	**2,98**	**4.350.016**
Rest of the world	2.020.903	**(2.020.903)**	**58,95**	**829.526**
Total	47.843.181	**(2.265.950)**	**-**	**45.577.231**

Sales expenditure split by cost category is shown below:

(EUR)

Category	Category	Domestic
Advertising	**-**	**89.278**
Total	**-**	**89.278**

OPERATIONAL STRATEGY

The company operations are located mainly in Milan, Turin, Mogliano, Maranello, Genova and Firenze.

The sole existing operating units are located in Firenze, Maranello (MO) and Torino.

INVESTMENT STRATEGY

During the financial year the Company did not make any significant investment. The main investment is related to the purchase of laptop to be used by the engineers. The following table summarize investment:

Investment in tangible fixed assets	Financial year purchases
Other assets: office equipment	**30.338**
Total	**30.338**

FINANCIAL STRUCTURE AND STRATEGY

The company net financial position is detailed below:

(EUR)

Description	Previous financial year	Variation	Current financial year
a) Short term assets			
Bank deposits	4.176.064	**(302.478)**	**3.873.586**
LIQUID ASSETS AND SECURITIES FROM CURRENT ASSETS	4.176.064	**(302.478)**	**3.873.586**
NET SHORT TERM FINANCIAL POSITION	4.176.064	**(302.478)**	**3.873.586**
NET FINANCIAL POSITION	4.176.064	**(302.478)**	**3.873.586**

Following tables show a reclassification of the Balance Sheet on the basis of liquidity use and sources.

(EUR)

Uses	Value	% on the uses
Immediate liquidity	3.873.586	19,41
Deferred liquidity	15.983.390	80,09
Current assets	19.856.976	99,50
Tangible fixed assets	99.769	0,50
Fixed assets	99.769	0,50
TOTAL USES	19.956.745	100,00

(EUR)

Sources	Values	% on the sources
Current liabilities	10.162.017	50,92
Consolidated liabilities	1.145.103	5,74
Capital of third parties	11.307.120	56,66
Share capital	100.000	0,50
Accumulated funds and profits (losses)	6.615.444	33,15
Current year profit (loss)	1.934.181	9,69
Equity	8.649.625	43,34
TOTAL SOURCES	19.956.745	100,00

In compliance with the provisions of art. 2428 par. 2 of the Civil Code, we point out the main financial and non-financial indicators of results.

Structural indexes	Meaning	Previous financial year	Current financial year	Comment
Primary structure ratio Net worth ------------------------- Financial year fixed assets	The index measures the capacity of the company's financial structure to cover long term investments with its own resources.	53,68	**86,70**	The net worth is sufficient to guarantee entirely the fixed assets.
Secondary structure ratio Net worth + Consolidated liabilities ------------------------- Financial year fixed assets	The index measures the capacity of the company's financial structure to cover long term with long term sources.	62,16	**98,17**	Sources and Uses are in balance with reference to the timing.

Patrimonial and financial indexes	Meaning	Previous financial year	Current financial year	Comment
Leverage (financial dependence) Invested capital ------------------------- Net worth	The index measures the intensity of use of indebtedness to cover invested capital.	2,65	**2,31**	It has to be said that the company does not obtain financial resources outside of the Group.
Flexibility of the uses Circulating assets ------------------------- Invested capital	It allows to better define the percentage mix of uses, which depends substantially on the kinds of activity of the company and on the flexibility level of the business structure. The more flexible the structure of the uses is, the greater the capacity of the business to adapt itself to the changeable market conditions.	99,30	**99,50**	The invested capital corresponds almost totally to the circulating assets, showing how flexible is the company structure. Totally reflects the characteristic of the activity performed.
Total debt ratio Third party financing ------------------------- Net worth	The index represents the equilibrium degree of the financial sources.	1,65	**1,31**	The third party financing indicatively refers to internal sources of the Group.

Managerial indexes	Meaning	Previous financial year	Current financial year	Comment
Personnel efficiency Net operating revenue ------------------------- Financial year cost of personnel	The index shows the personnel productivity, calculated as the ratio between the net operating revenue and the cost of personnel.	3,59	**3,38**	
Days' payables outstanding Payables with Suppliers* 365 ------------------------- Financial year purchases	The index measures, in days, the commercial extension received from the suppliers.	28	**23**	
Days' sales in receivable Receivables with Customers * 365 ----------------------- Net operating revenue	The index measures, in days, the commercial extension offered to customers.	79	**91**	

Liquidity indexes	Meaning	Previous financial year	Current financial year	Comment
Quick ratio Prompt liquidity + deferred liquidity ------------------------- Short term period payables	The index measures the degree of coverage of short-term payables by assets presumably collectible in the short term.	1,74	**1,94**	It is equal to the availability rate, since the Company has no stock. There is a good relation between the sources and the uses of the financial resources, in fact the current assets are able to cover the current liability on time.

Profitability indexes	Meaning	Previous financial year	Current financial year	Comment
Return on sales (R,O,S,) Financial year operating result -------------------------- Net operating revenue	The index measures the percentage efficiency of current operations with respect to sales.	10,89	**7,72**	
Return on investment (R,O,I,) Financial year operating result -------------------------- Financial year invested capital	The index offers a summary percentage measurement of the economics of current operations and the capacity of the company to self-finance irrespective to the choices of the financial structure.	29,23	**17,63**	
Return on Equity (R,O,E,) Financial year operating result -------------------------- Net worth	The index offers a summary percentage measurement of the global economics of company operation as a whole and on the capacity to finance the owner's equity.	44,69	**22,36**	

INFORMATION ABOUT THE ENVIRONMENT

At present the commitment about social and territory responsibility is an integral part of its principles and behaviours, which are oriented towards technology excellence, maintenance of high security levels, environmental protection and energy effectiveness as well as towards the training, the sensitization and involvement of the personnel as far as social responsibility matters are concerned.

Therefore, the company's environmental strategy is based upon the following principles:

- optimize the use of renewable energy and natural resources;
- minimize negative environmental impacts and maximize positive ones;
- spread a correct approach to environmental culture;
- achieve continuous improvement in environmental performances;
- adopt purchasing politics in respect of environmental issues.

Particularly the following initiatives were undertaken during the year:

- Scrupulous separate waste collection to improve recycling: plastic, organic, aluminium, glass, toner;
- All the paper used to print is Eco-compatible and could be disposed via WC.

ENVIRONMENTAL LITIGATION

At the moment the Company is not involved in any civil or criminal litigation with third parties for damages caused to the environment or environmental crimes.

INFORMATION ABOUT THE PERSONNEL

SAFETY

The Company operates in its environment in accordance with the provisions of Decree-Law 81/08 for workers safety.

Activities in this area include:

- train employees and collaborators;
- recurrent medical examinations;
- organize and train safety intervention teams provided by law;
- permanent corporate monitoring from RSPP;
- preparation and distribution of documents regarding Decree-Law 81/08.

Particularly the following initiatives were undertaken during the year:

- update risk assessment documents;
- update and edit of procedures regarding safety and health at work;
- training course for n.37 new employees.

INJURIES

During the year no injuries occurred to employees.

LITIGATION

Currently the Company is not involved in any litigation of any kind with employees or former employees.

With reference to the employed personnel we report following data:

- n. 69 men and n. 22 women are employed with a permanent contract;
- the average length of employment is 3/4 years;
- n.37 employees was hired during the year.

DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES WHICH MAY HAVE AN IMPACT ON THE COMPANY

In the course of its business activities, the Company is exposed to risks and uncertainties arising from exogenous factors related to the overall macroeconomic framework or the specific environment the Company operates in, as well as risks related to strategic decisions and internal risk management.

The identification and mitigation of these risks were carried out on a regular basis through consistent monitoring and the process is continuously improved and adapted to the changing global risk scenario.

The Company can count on a central risk management, although it allows its supervisors to take care of identification, monitoring and mitigation of the risks themselves. The aim is to estimate the impactof each risk according to going concern premises, reduce risks' occurrence and/or moderate their effect in proportion to the determining factor (controllable by the Company or not).

On the topic of business risks, the main risks identified, monitored and managed by the company are as follows:

- risks dependent on exogenous variables;
- risk related to competitiveness;
- risks related to the demand / macro-economic cycles.

RISKS DEPENDENT ON EXOGENOUS VARIABLES

The company is exposed to foreign exchange risk as it deals in multi currencies. However, the risk is hedged to a great extent as the expenses are incurred in the respective foreign currency.

RISK RELATED TO COMPETITIVENESS

The company operates in highly competitive industry, which is reflected in intense price competition of products and services.

RISK RELATED TO OVERALL ECONOMIC DEVELOPMENT

In the course of its business activities, the Company is exposed to risks and uncertainties arising from exogenous factors related to the overall macroeconomic framework and the consequent reduction in IT spending by the companies, in containing their costs, could impact the Company's business.

INFORMATION EX ART. 2428 C. 6 BIS

The company does not have investments in financial activities.

AIMS AND POLICIES ON FINANCIAL RISK MANAGEMENT

The Company aims to contain financial risks through a control system managed by the Executive Board and monitored by internal auditors.

COMPANY'S EXPOSURE TO RISKS

CREDIT RISK

The Company has a policy to extend credit terms, on an average 60 days, after carefully considering the credit worthiness of its clients based on reports obtained from Credit Rating Agencies.

Doubtful debts represent the 2.71% of the total amount of all receivables towards customers. The Company has a good portfolio of clients and carries on careful checks on the clients' credit worthiness. It is specified that, as per company policy, the receivables considered in the doubtful/ bad debts are those which have remained unrealized beyond 9 months.

LIQUIDITY RISK

Policy of the company is to manage accurately its spare funds, using tools able to schedule revenues and expenditures. The company intends to maintain liquidity reserves in order to avoid liquidity risk.

RESEARCH AND DEVELOPMENT

The Company has not made significant investments in Research and Development during the year.

TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATED AND PARENT COMPANIES AND OTHER GROUP COMPANIES

Throughout the period ended 31th March 2021 the Company held commercial relations with companies of the Group.

Contract terms have been negotiated according to market conditions and do not give rise to significant advantages to any of the parties involved. Intercompany transactions are made at arm's length value.

The amount of the intercompany trade relations is listed below:

(EUR)

Entity	Revenue for services	Cost for services	Receivables	Payables
Tata Consultancy Services Luxembourg S.A.	-	3.672	7.160	-
Tata Consultancy Services Belgium N.V./S.A.	301.543	32.850	19.566	22.755
Tata Consultancy Services Deutschland GmbH	2.103.489	146.632	387.668	-
Tata Consultancy Services France S.A.S	265.932	250.954	72.498	167.661
Tata Consultancy Services Limited	829.525	23.318.629	2.211.620	3.963.834
Tata Consultancy Services Netherland BV	469.791	430.574	131.443	131.275
Tata Consultancy Services Osterreich GmbH	743.292	-	404.509	-
Tata Consultancy Services Sverige AB	167.288	71.409	-	5.347
Tata Consultancy Services Switzerland Ltd	137.014	76.999	11.715	40.389
Tata Consultancy Services Espana SA	163.427	937	-	188
Tata Consultancy Services Brazil Ltd.	-	197.954	-	9.903
Tata Africa Holdings Ltd.	-	-	11	-
Totale	5.181.301	24.530.610	3.246.190	4.341.352

INFORMATION CONCERNING THE ACTIVITY OF DIRECTION AND COORDINATION

Compliant with the dispositions of Art. 2497 et seq. of the Civil Code, we communicate that the Company is subject to the direction and coordination of the Company TATA CONSULTANCY SERVICES NETHERLANDS BV.

Compliant with art. 2497-bis, par. 4, Civil Code, in the notes to the financial we reported a summary of the essential data of the last balance as at 31st March 2021 of the Company that exerts the activity of direction and coordination.

Moreover, the Company fulfilled its obligation required under article 2497-bis, par.1 of the Civil Code, as it reported on acts and correspondence its subjection to the direction and coordination of the Company TATA CONSULTANCY SERVICES NETHERLANDS BV.

Decisions have not been affected by the direction and coordination by TATA CONSULTANCY SERVICES NETHERLANDS B.V.

TRADE RELATIONS AND OTHERS

(EUR)

Description	TCS Netherlands BV
Receivables	**131.444**
Payables	**131.275**
Costs for services	**430.574**
Revenues for services	**469.791**

With reference to the established relations we underline that the operations are performed at market term.

Finally, we state that no decision was influenced by the activity or direction and coordination of the Company TATA CONSULTANCY SERVICES NETHERLANDS BV.

OWN SHARES AND INVESTMENT IN PARENT COMPANIES

Compliant with Article 2428 c.2 p.3 and 4 of the Civil Code the Company holds no own shares or investment in Parent companies.

FORESEEABLE DEVELOPMENTS BY THE END OF THE PERIOD

According to the available information the subsequent year result is expected have a growth of 5% compared to the current year. There is not direct impact of the Ukraine was on TCS Italy. As of now we are not envisaging any impact to our business.

MILANO, 28/04/2022

For the Directors

CHAPALAPALLI SAPTHAGIRI

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Unitary Report of the Board of Statutory Auditors to the shareholder

To the Shareholders' Meeting of Tata Consultancy Services Italia S.r.l.

Introduction

On the basis of the mandate granted by the company Tata Consultancy Services Italia S.r.l. (hereinafter the "Company"), the Board of Statutory Auditors has performed in the year closing on March 31, 2022, both the functions provided for in Article 2403 et seq. of the Italian Civil Code and the statutory audit functions provided for in Article 2409-bis of the Italian Civil Code.

This unitary report includes in section A) the "Report of the independent auditor pursuant to Article 14 of Legislative Decree No. 39 of 27 January 2010" and in section B) the "Report pursuant to Article 2429, paragraph 2 of the Italian Civil Code".

It is recalled that the Board of Statutory Auditors was appointed in its current composition by the ordinary shareholders' meeting of June 6, 2020, and it will remain in office until the approval of the Company's financial statements as at March 31, 2023; the statutory audit of the Company is also entrusted to the same.

The Board of Directors has made available the following documents approved on April 28,2022 relating to the financial statement at March 31, 2022: financial statements (Balance Sheet, Income Statement and Cash Flow Statement), explanatory note and Management report.

A) Report of the independent auditor pursuant to Article 14 of Legislative Decree No. 39 of 27 January 2010

Report on the financial statements

Opinion

We have carried out the statutory audit on the Company's financial statements, consisting of the balance sheet as at March 31, 2022, the income statement, the cash flow statement for the year closing on that date and the explanatory notes.

In our opinion, the financial statements gives a true and fair view of the financial position of the Company at March 31, 2022 and the net income and the cash flow for the year ending on that date, in accordance with Italian legislation on the criteria for their preparation.

Elements underlying the opinion

We conducted our statutory audit in accordance with international auditing standards (ISA Italia). Our responsibilities pursuant to these principles are further described in the section Responsibility of the auditor for the financial statement of this report. We are independent of the Company in compliance with the rules and principles on ethics and independence applicable in the Italian legal system for auditing the financial statements.

We consider that the audit evidence obtained is sufficient and appropriate to provide our opinion.

Going concern

We draw the attention on what reported in the notes to the financial statements regarding the events occurred after the closing of the exercise, where the directors provided the information regarding the epidemiological emergency due to Covid-19 and to the related analysis on the company's going concern. Here also considering the provisions of the Italian Law Decree n. 23/2020 and subsequent provisions, neutralizing the effects and subsequent provisions is missing, the Italian companies' going concern deriving from Covid-19, we have no objections to report with reference to the business continuity.

Responsibility of directors and Board of Statutory Auditors for the financial statements

The directors are responsible for filing a financial statement that provides a true and fair view in accordance with Italian legislation governing its preparation and according to the terms provided for by the law, for such internal control necessary to enable the preparation of a financial statement free from material misstatements whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue operating as an operating entity and, in drafting the financial statements, for the appropriateness of the use of the assumption of business continuity, as well as for adequate disclosure in matter. The directors use the assumption of business continuity in the preparation of the financial statements unless they have assessed that the conditions for the liquidation of the Company or for the interruption of the activity exit or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for supervising, within the terms provided by law, the process of preparing the Company's financial disclosure.

Responsibility of the auditor for the financial statements

Our objectives are the acquisition of reasonable assurance that the financial statements as a whole do not contain significant errors, due to fraud or unintentional behavior or events, and the issuance of an audit report that includes our opinion. Reasonable security means a high level of security which, however, does not provide the assurance that a financial audit carried out in accordance with ISA Italia international auditing standards will always identify a significant error, if this exists. Errors can result from fraud or unintentional behavior or events and they are considered significant if it can reasonably be expected that they, individually or as a whole, are able to influence the economic decisions made by the users on the basis of the financial statements.

As part of the financial audit carried out in accordance with ISA Italia international auditing standards, we have exercised professional judgment and maintained professional scepticism throughout the financial audit. Furthermore:

- we have identified and assessed the risks of material misstatement in the financial statements due to fraud or unintentional behavior or events; we have defined and performed audit procedures in response to these risks; we have acquired sufficient and appropriate audit evidence on which to base our judgment. The risk of not identifying a significant error due to fraud is higher than the risk of not identifying a significant error deriving from unintentional behavior or events, since fraud can imply the existence of collusion, falsification, intentional omission, misleading representations or forcing internal control;
- we have acquired an understanding of the internal control relevant for auditing purposes in order to define appropriate audit procedures in the circumstances and not to express an opinion on the effectiveness of the internal control of the company;
- we have assessed the appropriateness of the accounting principles used and the reasonableness of accounting estimates made by the directors, including the related disclosure;
- we have come to a conclusion on the appropriateness of the use by the directors of the assumption of business continuity and, considering the audit evidence, on the possible existence of significant uncertainty regarding events or circumstances that may give rise to significant doubts about the ability of the company to continue operating as an operating entity. In the presence of significant uncertainty, we are obliged to draw attention to the audit report on the related disclosures in the financial statements, or, if such disclosure is inadequate, to reflect this fact in the formulation of our opinion. Our conclusions are based on the audit evidence obtained up to the date of this report. However, subsequent events or circumstances may result in the Company ceasing to operate as an operating entity;
- we have assessed the presentation, structure and content of the financial statements as a whole, including the disclosure, and whether the financial statements represent the underlying transactions and events in order to provide a correct representation;
- we have communicated to the managers of the governance activities, identified at an appropriate level as required by the ISA Italia, among other aspects, the scope and timing planned for the audit and the significant results that emerged, including any significant deficiencies in the internal control identified during the financial audit.

Report on other legislative and regulatory provisions

The directors are responsible for preparing the Company's management report as at March 31, 2022, including its consistency with the related annual financial statements and its compliance with the law.

We have followed the procedures required in auditing standard (ISA Italia) No. 720B in order to express an opinion on the consistency of the directors' report, which is the responsibility of directors, with the financial statements of the Company as at March 31 2022 and on compliance with the law, as well as to make a declaration on any significant errors.

In our opinion, the directors' report is consistent with the financial statements of the Company as at March 31, 2022 and it is prepared in accordance with the law.

With reference to the declaration pursuant to Article 14, paragraph 2, let. e), of Legislative Decree 39/2010, issued on the basis of the knowledge and understanding of the Company and the relative context acquired during the audit activities, we have nothing to report.

B) Report on supervisory activities pursuant to Article 2429, paragraph 2, of the Italian Civil

During the financial statement as at March 31, 2022, our activity was inspired by the provisions of the law and the rules of conduct of the Board of Statutory Auditors issued by the National Council of Chartered Accountants and Accounting Experts, in respect of which we carried out the self-assessment, with a positive result, for each member the Board of Statutory Auditors.

B1) Supervisory activities pursuant to Article 2403 et seq. of the Italian Civil Code

We've monitored compliance with the law and the bylaws and compliance with the principles of correct administration.

We have participated in the shareholders' meetings and the meetings of the board of directors, in relation to which, on the basis of the information available, we have not detected violations of the law and the bylaws, nor manifestly imprudent, risky transactions in potential conflict of interest or such as compromise the integrity of the company's assets.

We've acquired from the financial director, during the meetings held, information on the general performance of the management and its foreseeable evolution, as well as on the most significant transactions, due to their size or characteristics, carried out by the company and, on the basis of information acquired, we did not have particular observations to report.

We have acquired knowledge and supervised, as far as we are responsible, on the adequacy and functioning of the Company's organizational structure, also by collecting information from the heads of the departments and in this regard we have no particular observations to report.

We have acquired knowledge and supervised, as far as we are responsible, on the adequacy and functioning of the administrative-accounting system, as well as on the reliability of the latter to correctly represent the management facts, by obtaining information from the heads of the functions and the examination of company documents, and in this regard, we have no particular observations to report.

No complaints were received from the shareholders pursuant to Article 2408 of the Italian Civil Code.

During the year no opinions provided by the law were issued by the Board of Statutory Auditors.

During the course of the supervisory activity, as described above, no other significant facts emerged such as to be worthy of mention in this report.

B2) Observations on the financial statements

As far as we're aware, the administrative body has not departed from the provisions of law established at Article 2423, paragraph 4, of the Italian Civil Code. The results of the statutory audit of the financial statements performed by this Board are set out in Section A of this report.

B3) Observations and proposals on the approval of the financial statements

In view of the results of the activities performed by us, the Board of Statutory Auditors proposes to the shareholders' meeting to approve the financial statements at March 31, 2022, as prepared by the directors.

The Board of Statutory Auditors agrees with the proposed allocation of the operating result made by the directors in the explanatory notes.

Milan, May 9th, 2022
Board of Statutory Auditors
The Chairman - **Raffaella Pagani**

The Statutory Auditor - **Davide Attilio Rossetti**

The Statutory Auditor - **Sergio Pagani**

General information about the company

Name		ID Code
Company name:	:	TATA CONSULTANCY SERVICES ITALIA SRL a socio unico
Company site:	:	Corso Italia 1 20122 MILANO MI
Share capital:	:	100,000
Fully paid-in share capital:	:	yes
Registration Authority id code:	:	Milano
VAT number:	:	04083450967
Fiscal code:	:	04083450967
Registation number:	:	1723756
Legal form:	:	SOCIETA' A RESPONSABILITA' LIMITATA con socio unico
Activity Code:	:	620200 Consulenza nel settore delle tecnologie dell'informatica
Company being wound up:	:	no
Company with a single shareholder:	:	yes
Company subject to the management and coordination of others:	:	yes
Name of the company or entity that exercises management and coordination:	:	TATA CONSULTANCY SERVICES NETHERLANDS BV
Belonging to a group:	:	yes
Name of the controlling entity:	:	TATA CONSULTANCY SERVICES LIMITED
Country of the controlling entity:	:	MUMBAI-INDIA

Balance sheet (mandatory scheme)

(EUR)

	As at MARCH 31, 2022	As at March 31, 2021
ASSETS		
B) Fixed assets	**-**	-
II - Tangible fixed assets	**-**	-
1) land and buildings	**-**	-
2) plant and machinery	**-**	-
3) industrial and commercial equipment	**-**	-
4) other assets	**99.769**	125.094
5) assets under construction and payments on account	**-**	1
Total tangible fixed assets	**99.769**	125.095
Total fixed assets (B)	**99.769**	125.095
C) Current assets	**-**	-
II - Receivables	**-**	-
1) trade accounts	**-**	-
due within the following year	**11.302.976**	10.407.337
due beyond the following year	**-**	-
Total trade accounts	**11.302.976**	10.407.337
2) due from subsidiary companies	**-**	-
due within the following year	**-**	-
due beyond the following year	**-**	-
Total receivables due from subsidiary companies	**-**	-
3) due from associated companies	**-**	-
due within the following year	**-**	-
due beyond the following year	**-**	-
Total receivables due from associated companies	**-**	-
4) due from parent companies	**-**	-
due within the following year	**2.343.063**	1.906.845
due beyond the following year	**-**	-
Total receivables due from parent companies	**2.343.063**	1.906.845
5) receivables due from companies controlled by parent companies	**-**	-
due within the following year	**1.154.294**	517.517
due beyond the following year	**-**	-
Total receivables paid by companies controlled by parent companies	**1.154.294**	517.517
5-b) tax receivables	**-**	-
due within the following year	**624.401**	-
due beyond the following year	**-**	-
Total receivables due from tax authorities	**624.401**	-

(EUR)

	As at MARCH 31, 2022	As at March 31, 2021
5-c) prepaid tax	**259.197**	157.364
5-d) other receivables	**-**	-
due within the following year	**5.473**	164.577
due beyond the following year	**157.737**	182.223
Total receivables due from third parties	**163.210**	346.800
Total receivables	**15.847.141**	13.335.863
IV - **Liquid funds**	**-**	-
1) bank and post office deposits	**3.873.586**	4.176.064
2) cheques	**-**	-
3) cash and equivalents on hand	**-**	-
Total liquid funds	**3.873.586**	4.176.064
Total current assets (C)	**19.720.727**	17.511.927
D) Accrued income and prepayments	**136.249**	180.507
TOTAL ASSETS	**19.956.745**	17.817.529
LIABILITIES AND SHAREHOLDERS' EQUITY		
A) Shareholders' equity	**-**	-
I - Share capital	**100.000**	100.000
II - Share premium reserve	**-**	-
III - Revaluation reserves	**-**	-
IV - Legal reserve	**20.000**	20.000
V - Statutory reserves	**-**	-
VI - Other reserves, indicated separately	**-**	-
Extraordinary reserve	**-**	-
Reserves from exceptions as per art, 2423 Civil Code	**-**	-
Shares reserve of the parent entity	**-**	-
Investment revaluation reserve	**-**	-
Contributions for capital increase	**-**	-
Contributions for future capital increase	**-**	-
Contributions to capital account or to cover previous losses	**-**	-
Contributions to cover losses	**2.100.000**	2.100.000
Capital reduction reserve	**-**	-
Merger surplus reserve	**-**	-
Reserve from exchange gains not redeemed	**-**	-
Reserve from current profit adjustments	**-**	-
Miscellaneous other reserves	**1**	1
Total other reserves	**2.100.001**	2.100.001
VII - Reserve for hedging expected cash flow operations	**-**	-
VIII - Retained earnings (accumulated losses)	**4.495.443**	1.494.293
IX - Net profit (loss) for the year	**1.934.181**	3.001.150
Minimised loss for the year	**-**	-
X - Negative reserve for own portfolio shares	**-**	-
Total shareholders' equity	**8.649.625**	6.715.444

(EUR)

	As at MARCH 31, 2022	As at March 31, 2021
B) Reserves for contingencies and other charges	**-**	-
1) pension and similar commitments	**-**	-
2) taxation	**-**	-
3) passive derivative financial instruments	**-**	-
4) other	**-**	71.198
Total reserves for contingencies and other charges	**-**	71.198
Total reserve for severance indemnities (TFR)	**1.145.103**	988.836
D) Payables	**-**	-
1) bonds	**-**	-
due within the following year	**-**	-
due beyond the following year	**-**	-
Total bonds	**-**	-
2) convertible bonds	**-**	-
due within the following year	**-**	-
due beyond the following year	**-**	-
Total convertible bonds	**-**	-
3) due to partners for financing	**-**	-
due within the following year	**-**	-
due beyond the following year	**-**	-
Total payables due to partners for financing	**-**	-
4) due to banks	**-**	-
due within the following year	**-**	-
due beyond the following year	**-**	-
Total payables due to banks	**-**	-
5) due to other providers of finance	**-**	-
due within the following year	**-**	-
due beyond the following year	**-**	-
Total payables due to other providers of finance	**-**	-
6) **advances**		
due within the following year	**1.019.146**	1.034.741
due beyond the following year	**-**	-
Total advances	**1.019.146**	1.034.741
7) **trade accounts**		
due within the following year	**1.788.108**	2.255.588
due beyond the following year	**-**	-
Total trade accounts	**1.788.108**	2.255.588
8) payables represented by credit instruments	**-**	-
due within the following year	**-**	-
due beyond the following year	**-**	-
Total payables represented by credit instruments	**-**	-

(EUR)

	As at MARCH 31, 2022	As at March 31, 2021
9) due to subsidiary companies	-	-
due within the following year	-	-
due beyond the following year	-	-
Total payables due to subsidiary companies	**-**	-
10) due to associated companies	-	-
due within the following year	-	-
due beyond the following year	-	-
Total payables due to associated companies	**-**	-
11) due to parent companies	-	-
due within the following year	**4.095.109**	2.498.206
due beyond the following year	-	-
Total payables due to parent companies	**4.095.109**	2.498.206
11-b) payables due to companies controlled by parent companies	-	-
due within the following year	**246.243**	352.352
due beyond the following year	-	-
Total payables due to companies controlled by parent companies	**246.243**	352.352
12) due to tax authorities	-	-
due within the following year	**562.219**	1.467.863
due beyond the following year	-	-
Total payables due to tax authorities	**562.219**	1.467.863
13) due to social security and welfare institutions	-	-
due within the following year	**215.337**	167.307
due beyond the following year	-	-
Total payables due to social security and welfare institutions	**215.337**	167.307
14) other payables	-	-
due within the following year	**2.235.855**	1.850.874
due beyond the following year	-	-
Total other payables	**2.235.855**	1.850.874
Total payables (D)	**10.162.017**	9.626.931
E) Accrued liabilities and deferred income	**-**	415.120
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**19.956.745**	17.817.529

Income Statement (value and cost of production)

(EUR)

	Year ended MARCH 31, 2022	Year ended March 31, 2021
Income statement (value and cost of production)	-	-
A) Value of production	-	-
1) Revenues from sales and services	**45.577.231**	47.843.181
5) Other income and revenues	-	-
Operating grants	**108.042**	-
Other	**246.225**	170.215
Total Other income and revenues	**354.267**	170.215
TOTAL VALUE OF PRODUCTION	**45.931.498**	48.013.396
B) Costs of production		
6) Raw, ancillary and consumable materials and goods for resale	**1.218**	1.124.467
7) Services	**26.822.339**	25.666.111
8) Use of third party assets	**1.973.719**	2.524.594
9) personnel	-	-
a) wages and salaries	**10.913.249**	11.154.664
b) related salaries	**1.722.118**	1.447.164
c) severance	**435.652**	335.440
e) other costs	**428.051**	392.598
Total payroll and related costs	**13.499.070**	13.329.866
10) depreciation, amortisation and write downs	-	-
b) depreciation of tangible fixed assets	**55.663**	50.862
Total Amortisation, depreciation and write-downs	**55.663**	50.862
12) Provisions for contingencies and other charges	-	70.874
14) Other operating expenses	**61.235**	37.776
TOTAL COST OF PRODUCTION	**42.413.244**	42.804.550
Difference between value and cost of production (A - B)	**3.518.254**	5.208.846
C) Financial income and charges	-	-
16) other financial income	-	-
d) income other than the above	-	-
other	**511**	433
Total income other than the above	**511**	433
Total other financial income	**511**	433
17) Interest and other financial expense	-	-
other	-	(35)
Total interest and other financial expense	-	(35)
17-bis) Currency gains and losses	**51.641**	(102.375)
Total financial income and expense (15 + 16 - 17 + - 17-bis)	**52.152**	(101.907)
PRE-TAX RESULT (A - B + - C + - D)	**3.570.406**	5.106.939
20) Income tax for the year, current, deferred and prepaid		
Current taxes	**1.737.941**	2.101.273
tax related to previous years	-	(32.465)
deferred and prepaid tax	**(101.716)**	36.981
TOTAL TAXES ON THE INCOME FOR THE YEAR	**1.636.225**	2.105.789
21) PROFIT (LOSS) FOR THE YEAR	**1.934.181**	3.001.150

Financial Statement, Indirect Method

(EUR)

	Year ended MARCH 31, 2022	Year ended March 31, 2021
FINANCIAL STATEMENT, INDIRECT METHOD		
A) CASH FLOWS FROM CURRENT ACTIVITIES (INDIRECT METHOD)		
Profit (loss) for the year	**1.934.181**	3.001.150
Income tax	**1.636.225**	2.105.789
Payable (receivable) interest	**(511)**	(468)
(Dividends)	**-**	-
(Capital gains)/Capital losses from business conveyance	**-**	-
1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from conveyances,	**3.569.895**	5.106.471
Adjustments to non monetary items that were not offset in the net working capital,	**-**	-
Allocations to preserves	**-**	70.874
Fixed asset depreciation/amortisation	**55.663**	50.862
Write-downs for long-term value depreciation	**-**	-
Adjustments to financial assets and liabilities for derivative financial instruments that do not involve monetary transactions	**-**	-
Other adjustments to increase/(decrease) non-monetary items	**435.652**	335.440
total adjustments for non-monetary items that were not offset in the net working capital	**491.315**	457.176
2) Cash flow before changing net working capital	**4.061.210**	5.563.647
Changes to the net working capital	**-**	-
Decrease/(increase) in inventory	**-**	-
Decrease/(increase) in payables to customers	**(895.639)**	7.207.215
Increase/(decrease) in trade payables	**(467.480)**	(937.402)
Increase/(decrease) from prepayments and accrued income	**44.258**	42.082
Increase/(decrease) from accruals and deferred income	**(415.120)**	(1.879.178)
Other decreases/(other increases) in net working capital	**1.034.442**	(11.018.237)
Total changes to net working capital	**(699.539)**	(6.585.520)
3) Cash flow after changes to net working capital	**3.361.671**	(1.021.873)
Other adjustments	**-**	-
Interest received/(paid)	**511**	468
(Income tax paid)	**(3.283.740)**	(1.246.924)
Dividends received	**-**	-
(Use of reserves)	**(71.198)**	(231)
Other collections/(payments)	**(279.385)**	(131.854)
Total other adjustments	**(3.633.812)**	(1.378.541)
Cash flow from current activities	**(272.141)**	(2.400.414)

(EUR)

	Year ended MARCH 31, 2022	Year ended March 31, 2021
B) CASH FLOWS FROM INVESTMENTS		
Tangible fixed assets	**-**	-
(Investments)	**(30.337)**	(44.895)
Disposals	**-**	-
Intangible fixed assets		-
(Investments)	**-**	-
Disposals	**-**	-
Financial fixed assets		
(Investments)	**-**	-
Disposals	**-**	-
Short term financial assets	**-**	-
(Investments)	**-**	-
Disposals	**-**	-
(Acquisition of branches of business net of liquid assets)	**-**	-
Transfer of branches of business net of liquid assets	**-**	-
Cash flows from investments (B)	**(30.337)**	(44.895)
C) CASH FLOWS FROM FINANCING ACTIVITIES		-
Loan capital	**-**	-
Increase/(decrease) in short term bank loans	**-**	-
New loans	**-**	-
(Loan repayments)	**-**	-
Equity	**-**	
Capital increase payments	**-**	-
(Capital repayments)	**-**	-
Transfer/(purchase) of own shares	**-**	-
(Dividends and advances on dividends paid)	**-**	-
Cash flows from financing activities (C)	**-**	-
Increase (decrease) in liquid assets (A ± B ± C)	**(302.478)**	(2.445.309)
Exchange rate effect on liquid assets	**-**	-
Liquid assets at the start of the year	**-**	-
Bank and post office deposits	**4.176.064**	6.621.373
Loans	**-**	-
Cash and valuables in hand	**-**	-
Total liquid assets at the start of the year	**4.176.064**	6.621.373
of which not freely available	**-**	-
Liquid assets at the end of the year	**-**	-
Bank and post office deposits	**3.873.586**	4.176.064
Loans	**-**	-
Cash and valuables in hand	**-**	-
Total liquid assets at the end of the year	**3.873.586**	4.176.064
of which not freely available	**-**	-

Supplementary notes, initial part Publishing principles

STRUCTURE AND CONTENTS OF THE FINANCIAL STATEMENTS

The financial statements for the financial year closed as of 31/03/2022, composed of the Balance Sheet, Income Statement and Notes correspond to the results of duly kept accounting entries and have been drawn up in accordance with the provisions of articles 2423 and 2423-bis of the Civil Code as well as in accordance with the accounting principles and accounting guidelines drawn up by the Italian Accounting Body (O.I.C.).

The financial statement has been drawn up on the basis of the company as a going concern.

It is structured in accordance with the provisions of articles 2424 and 2425 of the Civil Code according to the recitals set out by article 2423-ter. The Notes, which are an integral part of the Financial Statements, comply with the contents of articles 2427, 2427-bis and with all the other provisions that refer to them.

The entire document and all its related parts have been drawn up to give a fair and true picture of the company's assets and financial situation as well as of the operating results. It gives, where necessary, additional supplementary information for this purpose.

In accordance with the provisions of Art. 2423, each item is presented with the amount of the corresponding item from the previous year.

Interested parties are referred to the contents of the Management Report as regards information related to the company's operating and financial trend, to relations and transactions with correlated parties as well as to important events which have taken place after closure of the financial year.

ACCOUNTING PRINCIPLES

In accordance with the provisions of Art. 2423-bis of the Civil Code, following principles have been complied with while preparing the Financial Statements:

- prudential approach to entry assessment in accordance with the going-concern value and taking into account the substance of the transaction or arrangement;
- only profits actually achieved during the financial year are reported;
- proceeds and charges related to the financial year have been stated irrespective to their occurrence and payment;
- risks and losses accrued in the financial year are reported even if they became known after closure;
- sundry elements included in the various Financial Statements items have been assessed separately.

The assessment criteria provided for by art. 2426 of the Civil Code have been maintained unchanged compared to those used in the previous financial year.

The Financial Statements and these Notes have been drawn up in units of Euros.

Applied evaluation criteria

The assessment criteria provided for by art. 2426 of the Civil Code have been applied when drawing up these Financial statements.

Intangible fixed assets

Intangible fixed assets have been entered at their purchase or in-house production cost inclusive of directly allocated additional costs.

The relevant amounts are entered after deduction of depreciation expenses, calculated systematically using the rates indicated below and related to their residual possibility of use.

There have been no changes in depreciation rates from the previous financial year.

Pursuant to section 5) of Art. 2426, please note that there has been no distribution of dividends exceeding the total remaining reserves available to cover the total costs for start-up, expansion and development costs that have not been amortized.

Fixed assets with value at the date of closure of the financial year that is enduringly lower than the value as calculated above, have been entered at that lesser value; with the exception of goodwill, this has not been made in the following financial statements if the reasons for the adjustment made no longer exist.

Tangible fixed assets

Tangible fixed assets have been entered in the Financial Statements at their purchase or in-house production cost. This cost includes additional costs as well as directly allocated costs.

The related amounts are entered after deduction of depreciation expenses, calculated systematically using the rates indicated below and related to their residual possibility of use that takes into account the use, destination and economic-technical duration of the assets.

Description	Applicable rates
Other assets:	
- Furniture	20%
- Electronic office equipment	25%

There have been no changes in depreciation rates from the previous financial year.

Fixed assets with value at the date of closure of the financial year that is enduringly lower than the value as calculated above, have been entered at that lesser value; this has not been made in the following financial statements if the reasons for the adjustment made no longer exist.

Receivables

Receivables have been entered according to their presumed collection value by allocating specific allowances for bad debts to which a sum is annually allocated corresponding to the risk of non-collectability of the receivables recorded in the financial statements, related to debtor's general economic conditions, sector of business and place of origin.

The actual policy of the company is to allocate into the bad debts those receivables which last for more than 9 months.

Liquid assets

The item contains cash in hand both in Euro and in foreign currency, stamps and monetary reserves resulting from accounts held by the company with financing institutions, all expressed at their nominal values and explicitly converted into Italian currency when the accounts were in foreign currency.

Accruals and deferrals

Accruals and deferrals have been calculated according to the temporal accruals principle of accounting.

Contingency funds for risks and charges

These have been allocated to cover losses or liabilities of a specific nature, certain or probable to exist, but for which, at the closure of the financial year, it was not yet possible to determine the amount or the date of occurrence.

These funds were assessed by applying general criteria of prudence and accrual. No generic contingency funds for risks lacking economic justifications were created.

Severance pay

The severance pay fund corresponds to the Company's real commitment with each employee, calculated pursuant to existing laws and, in particular, to the provisions of art. 2120 of the Civil Code, to the collective labor agreements and to company's supplementary agreements.

This liability is subject to revaluation by applying indexes.

Payables

Payables are expressed at their nominal value and include, where applicable, interest come due and collectable at the date of closure of the financial year.

Conversion criteria for values expressed in currency

Receivables and payables originally expressed in foreign currency are converted into euros at the exchange rates at the date of occurrence. Exchange differences arising during payment of payables and collection of receivables in foreign currency are allocated to the Income Statement.

The existing receivables in currency at the end of the financial year have been converted into euros at the rate valid on the day of closure of the Financial Statement; profits and losses coming from the exchange have been entered in the Income Statement under the C.17-bis "Exchange profits/losses" item, allocating, if necessary, an amount equal to the net profits emerging from the algebraic sum of the values to net worth reserve that cannot be distributed until the time of collection.

As to the amount entered under C.17-bis item we clarify that the collected part of losses on exchanges is equal to euros -7.369, while that not collected profit is equal to euros 59.010.

Recording of revenue and costs

Income and proceeds are entered after deduction of returns, discounts and allowances as well as of taxes directly connected with sale of the products and lending of the services.

In particular:

- revenue for supply of services are calculated according to the actual supply of the service and in accordance with the relevant contracts. Revenue related to works in progress on order is calculated with the method of the percentage of completion of the works;
- costs are recorded according to the accruals principle of accounting;
- proceeds and financial charges are calculated according to the temporal accruals principle of accounting.

Income taxes

Financial year income taxes are allocated in accordance with the accruals principle of accounting and are calculated in accordance with existing laws and on the basis of the estimated taxable income. In the Balance Sheet the debt is indicated in the "Tax payables" item and the credit in the "Tax receivable" item.

We specify the following concerning detection of the fiscal effects caused by temporary differences between entry of economic items in the Financial Statements and the time they become fiscally important.

Deferred taxes were calculated according to the temporary taxable differences applying the tax rate valid at the moment these temporary differences will generate increases in the taxable base.

Assets for advanced taxes, in accordance with the prudence principle, were calculated on the deductible temporary differences applying the tax rate which is valid at the moment these differences generate a decrease in the taxable base, according to the principle of the reasonable certainty of the existence of future taxable bases sufficient to reabsorb the variations specified above.

The amount of advanced taxes is revised every year to check the existence of the reasonable certainty of having, in the future, fiscally taxable income sufficient to recover the entire amount of the advanced taxes.

The amount of deferred and advanced taxes is also subject to recalculation whenever there are changes in the taxation rates originally considered.

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SUPPLEMENTARY NOTES, ASSETS

Fixed assets

Tangible fixed assets

The following schedule illustrates the composition of tangible fixed assets and the variations that took place during the financial year.

(EUR)

Financial year item	As at March 31, 2021	Increases	Decreases	As at MARCH 31, 2022
Other assets	125.094	**30.338**	**55.663**	**99.769**
- Macchine di ufficio elettroniche	125.094	**30.338**	**55.663**	**99.769**
Fixed assets in progress and down payments	1	**-**	**-**	**1**
Totals	125.095	**30.338**	**55.663**	**99.770**

Tangible fixed assets, after deduction of the depreciation fund, are equal to euros 99.770 (euros 125.095 at the end of the previous financial year).

Changes in tangible fixed assets

The following schedule illustrates the components that contributed to calculating the net book value of the Financial statements (art. 2427, point 2 of the Civil Code).

(EUR)

	Other tangible fixed assets	Tangible assets in process and advances	Total tangible fixed assets
Year opening balance			
Cost	**370.172**	**1**	**370.173**
Amortisation (amortisation fund)	**245.078**	**-**	**245.078**
Balance sheet value	**125.094**	**1**	**125.095**
Changes during the year			
Increases for purchases	**30.338**	**-**	**30.338**
Depreciation/amortisation for the year	**55.663**	**-**	**55.663**
Total changes	**(25.325)**	**(1)**	**(25.326)**
Year closing balance			
Cost	**391.801**	**1**	**391.802**
Amortisation (amortisation fund)	**292.032**	**-**	**292.032**
Balance sheet value	**99.769**	**-**	**99.769**

Following report shows the details of “Other goods” balance sheet item, indicating the movements relating to each component.

Notes forming part of the Financial Statements

(EUR)

Description	Furnitures	Electronic office machinery	Other tangible fixed assets balance
Historic cost	1.573	368.599	370.172
Initial depreciation fund	1.573	243.505	245.078
Rounding off	-	-	-
Financial year initial balance	-	125.094	125.094
Financial year purchases	-	30.338	30.338
Financial year sales/decreases historic cost	-	8.709	8.709
Financial year sales/decrease: depreciation fund	-	8.709	8.709
Financial year depreciations	-	55.663	55.663
Final balance	-	99.769	99.769

The increase in electronic office equipment of EUR 30.338 is composed of PCs used by engineers that became operational during the year.

CURRENT ASSETS

Receivables included among current assets

Changes and deadline of receivables posted to current assets

The following schedule illustrates the composition, the variation and the expiration dates of receivables present in current assets (art. 2427, point 4 and 6 of the Civil Code).

(EUR)

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
Trade receivables included among current assets	10.407.337	895.639	11.302.976	11.302.976	-	-
receivables due from parent companies included among current assets	1.906.845	436.218	2.343.063	2.343.063	-	-
receivables due from companies controlled by parent companies posted to current assets	517.517	636.777	1.154.294	1.154.294	-	-
Tax receivables included among current assets	-	624.401	624.401	624.401	-	-
Assets for prepaid tax included among current assets	157.364	101.833	259.197	-	-	-
Other receivables included among current assets	346.800	(183.590)	163.210	5.473	157.737	-
Total receivables included among current assets	13.335.863	2.511.278	15.847.141	15.430.207	157.737	-

Breakdown of receivables included among current assets by geographic area

Receivables of current assets are subdivided according to geographic areas where the debtor does business (art. 2427, point 6 of the Civil Code):

(EUR)

Geographic area	Italy	Europe	Rest of the world	Total
Trade receivables included among current assets	11.302.976	-	-	11.302.976
Receivables due from parent companies included among current assets	-	131.443	2.211.620	2.343.063
receivables due from companies controlled by parent companies posted to current assets	-	1.154.282	12	1.154.294
Tax receivables included among current assets	624.401	-	-	624.401
Assets for prepaid tax included among current assets	259.197	-	-	259.197
Other receivables included among current assets	163.210	-	-	163.210
Total receivables included among current assets	12.349.784	1.285.725	2.211.632	15.847.141

Receivables with customers

(EUR)

Description	As at March 31, 2021	As at MARCH 31, 2022	Variation
Receivables toward clients	10.712.480	11.586.481	874.001
Bad Debt provision	(305.143)	(283.505)	21.638
Total	10.407.337	11.302.976	895.639

The company is using the option to not evaluate the receivables using of the depreciated cost method.

Receivables with controlling companies

(EUR)

Description	As at March 31, 2021	As at MARCH 31, 2022	Variation
Tata Consultancy Services LTD	1.698.169	2.211.620	513.451
Tata Consultancy Services Netherlands B,V,	208.676	131.443	(77.233)
Total	1.906.845	2.343.063	436.218

The receivables here classified are all related to the commercial transactions occurred with the direct mother company and also with the ultimate mother company. All the transactions have been made at arms'lenght principle.

Notes forming part of the Financial Statements

Receivables from businesses subject to the control of the parent companies

(EUR)

Description	As at March 31, 2021	Variation	As at MARCH 31, 2022
TCS Africa Holdings LTD	-	**11**	**11**
Tata Consultancy Services Osterreich GmbH	189.787	**214.722**	**404.509**
Tata Consultancy Services Switzerland LTD	8.900	**2.815**	**11.715**
Tata Consultancy Services Deutschland GmbH	220.464	**418.371**	**638.835**
Tata Consultancy Services Luxembourg S.A.	3.491	**3.669**	**7.160**
Tata Consultancy Services France SAS	50.903	**21.595**	**72.498**
Tata Consultancy Services Belgium N.V./S.A.	18.855	**711**	**19.566**
Tata Consultancy Services Canada Inc.	368	**(368)**	**-**
Tata Consultancy Services de Espana	24.749	**(24.749)**	**-**
Total receivables from businesses subject to the control of the parent companies	517.517	**636.777**	**903.127**

The receivables here classified are all related to the commercial transactions occurred with the other companies of the group. All the transanctions have been made at arms'lenght principle.

Tax receivables

(EUR)

Description	As at March 31, 2021	Variation	As at March 31, 2022
Income Tax (IRPEF)/Corporate Income Tax (IRES) credit	-	**469.445**	**469.445**
Regional Income Tax (IRAP) credit	-	**128.587**	**128.587**
Other tax credit	-	**26.369**	**26.369**
Totals	-	**624.401**	**624.401**

Other receivables

(EUR)

Description	As at March 31, 2021	As at March 31, 2022	Variation
a) **Other receivables following year**	164.577	**5.472**	**(159.105)**
Employees receivables	8.064	**4.838**	**(3.226)**
Other receivables:	-	**-**	**-**
- anticipi a fornitori	156.514	**634**	**(155.880)**
- altri	(1)	**-**	**1**
b) **Other receivables above following year**	182.223	**157.737**	**(24.486)**
Cash deposits	182.223	**157.737**	**(24.486)**
Other receivables:	**-**	**-**	**-**
Total other receivables	346.800	**163.209**	**(183.591)**

Under "Other Receivables" have been classified receivables towards employees (Euro 4.838), advances paid to suppliers (Euros 634) and cash deposits (Euros 157.737).

Receivables include assets for advanced taxes (Euros 255.717) which details are provided in the paragraph related to deferred taxation.

Adjustment of the nominal value of the receivables to the presumed break up value was done by using a specific allowance for bad debts which sustained, during the financial year, the following movements:

(EUR)

Description	Initial balance	Uses	Allocations	Final balance
Allowance for bad debts of the current assets	305.143	**21.638**	**-**	**283.505**

Liquid funds

The balance detailed below represents the amount and variations in liquid assets existing at the time of closure of the financial year (art. 2427, point 4 of the Civil Code).

(EUR)

	Year opening balance	Change during the year	Year closing balance
Bank and post office deposits	4.176.064	**(302.478)**	**3.873.586**
Total liquid funds	4.176.064	**(302.478)**	**3.873.586**

Accrued income and prepayments

The composition and variations for the item under examination are detailed as follows (art. 2427, point 7 of the Civil Code):

(EUR)

	Year opening balance	Change during the year	Year closing balance
Deferred income	180.507	**(44.258)**	**136.249**
Total accrued income and prepaid expenses	180.507	**(44.258)**	**136.249**

SUPPLEMENTARY NOTES, LIABILITIES AND NET EQUITY

Shareholders' equity

Changes in shareholders' equity for the three previous years are shown below:

(EUR)

	Amount as at March 31, 2019	Increases / Decreases	Amount as at March 31, 2020	Increases / Decreases	Amount as at March 31, 2021
Share Capital	100.000	-	100.000	-	100.000
Legal reserve	20.000	-	20.000	-	20.000
Contributions to cover losses	2.100.000	-	2.100.000	-	2.100.000
Miscellaneous other reserves	(1)	-	(1)	1	-
Retained earnings (accumulated losses)	(933.337)	1.491.988	558.651	935.642	1.494.293
Net profit (loss) for the year	1.491.987	(556.344)	935.643	2.065.507	3.001.150
Total	2.778.649	935.644	3.714.293	3.001.150	6.715.443

Changes in shareholders' equity

Net worth existing at the closure of the financial year amounts to Euros 8.649.625 and has experienced the following evolution (art. 2427, point 4 of the Civil Code).

Notes forming part of the Financial Statements

(EUR)

	Year opening balance	Destination of the previous year's result		Other changes			Result for the year	Year closing balance
		Dividend allocations	Other destinations	Increases	Decreases	Reclassifications		
Capital	**100.000**	-	-	-	-	-	-	**100.000**
Legal reserve	**20.000**	-	-	-	-	-	-	**20.000**
Other reserves			-	-	-	-	-	-
Contributions to cover losses	**2.100.000**	-	-	-	-	-	-	**2.100.000**
Miscellaneous other reserves	**1**	-	-	-	-	-	-	**1**
Total other reserves	**2.100.001**	-	-	-	-	-	-	**2.100.001**
Profit (loss) carried forward	**1.494.293**	-	**3.001.150**	-	-	-	-	**4.495.443**
Profit (loss) for the year	**3.001.150**	-	-	-	**(3.001.150)**	-	**1.934.181**	**1.934.181**
Total shareholders' equity	**6.715.444**	-	**3.001.150**	-	**(3.001.150)**	-	**1.934.181**	**8.649.625**

Use of shareholders' equity

Details are given, in particular, related to the reserves that compose the Net Worth, specifying their origin or nature, and their possible uses and distributability limits as well as their uses in previous financial years (art. 2427, point 7-bis of the Civil Code):

Explanation column "Origin/nature": C = Capital reserve; U = Profit reserve.
Explanation column "Possible use": A = for capital increase; B = to cover losses; C = for distribution to shareholders.

(EUR)

	Amount	Origin / nature	Possible use	Available amount	Summary of uses in the three previous years	
					to cover losses	for other reasons
Capital	**100.000**	**C**	**B**	-	-	-
Legal reserve	**20.000**	**U**	**B**	-	-	-
Other reserves	-	-	-		-	-
Contributions to cover losses	**2.100.000**	**C**	**B**	**2.100.000**	-	-
Miscellaneous other reserves	**1**	-	-	-	-	-
Total other reserves	**2.100.001**	-	-	**2.100.000**	-	-
Profit carried forward	**4.495.443**	-	-	**4.490.835**	-	-
Total	**6.715.444**	-	-	**6.590.835**	-	-
Residual available share	-	-	-	**6.590.835**	-	-

Key: A: for capital increase, B: to hedge losses, C: distribution to shareholders, D: for other article of association restraints, E: other

As of 31/03/2022 capital was fully underwritten and paid up.

Provisions for risks and charges

The composition and the movements in the single items are given in the following schedule (art. 2427, point 4 of the Civil Code).

(EUR)

	Provisions for pension liabilities and similar obligations	Deferred tax fund	Passive derivative financial instruments	Other funds	Total provisions for risks and charges
Year opening balance	-	-	-	**71.198**	**71.198**
Changes during the year					
Use in the financial year	-	-	-	**71.198**	**71.198**
Total changes	-	-	-	**(71.198)**	**(71.198)**
Year closing balance	-	-	-	-	-

Staff severance fund

The fund being allocated represents the actual debt of the company with its employees as of al 31/03/2022 after deduction of paid advances.

The severance pay is directly deposited in the pension fund for employees who have opted for complementary social security which is shown on "Other"; in other cases the severance pay is transferred to the Treasury Fund managed by INPS. the amount booked as use is related to amount paid during the year.

Composition and uses are listed in the following schedule (art. 2427, point 4 of the Civil Code).

(EUR)

	Staff severance fund
Year opening balance	**988.836**
Changes during the year	
Operating accrual	**435.652**
Use in the financial year	**-**
Other changes	**(279.385)**
Total changes	**156.267**
Year closing balance	**1.145.103**

PAYABLES DUE TO COMPANIES CONTROLLED BY PARENT COMPANIES

Payables changes and due date

The composition, the variations in the single items and the subdivision by due dates of payables are illustrated in the following schedule (art. 2427, point 4 and 6 of the Civil Code).

(EUR)

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
Advances	1.034.741	(15.595)	1.019.146	1.019.146	-	-
Payables to suppliers	2.255.588	(467.480)	1.788.108	1.788.108	-	-
Payables to parent companies	2.498.206	1.596.903	4.095.109	4.095.109	-	-
Payables due to companies controlled by parent companies	352.352	(106.109)	246.243	246.243	-	-
Tax payables	1.467.863	(905.644)	562.219	562.219	-	-
Payables due to social security and welfare institutions	167.307	48.030	215.337	215.337	-	-
Other payables	1.850.874	384.981	2.235.855	2.235.855	-	-
Total payables (D)	9.626.931	535.086	10.162.017	10.162.017	-	-

Advance payments

(EUR)

Description	As at March 31, 2021	As at MARCH 31, 2022	Variation
a) **Advance payments due within a year**	1.034.741	1.019.146	(15.595)
Advance payments from customers	1.034.741	1.019.146	(15.595)
Total advance payments	1.034.741	1.019.146	(15.595)

Payables to Suppliers

(EUR)

Description	As at March 31, 2021	As at MARCH 31, 2022	Variation
a) **Payables to suppliers due within a year**	2.255.588	1.788.108	(467.480)
Suppliers within a year:	1.547.913	1.124.334	(423.579)
- Other	1.547.913	1.124.334	423.579)
Invoices to be received within a year:	707.675	663.774	(43.901)
- Other	707.675	663.774	(43.901)
Total payables to suppliers	2.255.588	1.788.108	(467.480)

Payables to parent companies

(EUR)

Description	As at March 31, 2021	As at MARCH 31, 2022	Variation
Tata Consultancy Services LTD	2.457.134	3.963.834	1.506.700
Tata Consultancy Services Netherlands B.V.	41.072	131.275	90.203
Total payables to parent companies	2.498.206	4.095.109	1.596.903

Under the item "Payables to parent companies" are reclassified not only the payables to Tata Consultancy Services Netherlands B.V, but also the payables to Indian parent company Tata Consultancy Services LTD. All the transactions are made at the arms'lenght value.

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Payables due to companies subject to the control of the parent companies

(EUR)

Description	As at March 31, 2021	As at MARCH 31, 2022	Variation
Tata Consultancy Services America Int. Corp.	53.105	**-**	**(53.105)**
Tata Consultancy Services Deutschland GmbH	119.612	**-**	**(119.612)**
Tata Consultancy Services France SAS	40.538	**167.661**	**127.123**
Tata Consultancy Services Brasil LTD	21.279	**9.902**	**(11.377)**
Tata Consultancy Services Saudi Arabia	-	**-**	**-**
Tata Consultancy Services Sverige AB	30.254	**5.347**	**(24.907)**
Tata Consultancy Services Belgium SA	37.208	**22.755**	**(14.453)**
Tata Consultancy Services Switzerland LTD	40.507	**40.390**	**(117)**
Tata Consultancy Services Espana SA	9.849	**188**	**(9.661)**
Total payables due to companies subject to the control of the parent companies	352.352	**246.243**	**(106.109)**

They are all the commercial liabilities which arise from the transactions iwht the other companies of the group. All the transactions are made at the arms'lenght value.

Tax payables

(EUR)

Description	As at March 31, 2021	As at MARCH 31, 2022	Variation
Income Tax (IRPEF) / Corporate Income Tax (IRES)	947.650	**(-947.650)**	**461.935**
VAT	421.191	**40.744**	**461.935**
Employee withholding taxes	88.376	**9.529**	**97.905**
Consultant/collaborator withholding taxes	10.646	**(-8.268)**	**2.378**
Payables for other taxes	-	**4.491**	**4.491**
Rounding off	-	**1**	**1**
Total tax payables	1.467.863	**(901.153)**	**566.710**

Payables with social security and insurance institutions

(EUR)

Description	As at March 31, 2021	As at MARCH 31, 2022	Variation
Payables with Inps (National Institute of Social Insurance)	167.307	**215.337**	**48.030**
Total social security and insurance payables	167.307	**215.337**	**48.030**

Other payables

(EUR)

Description	As at March 31, 2021	As at MARCH 31, 2022	Variation
a) **Other payables following year**	1.850.874	**2,235.855**	**384,981**
Employees / similar payables	1.732.786	**2.136.714**	**403.928**
Other payables:	-	**-**	**-**
- other	118.088	**99.141**	**(18.947)**
Total other payables	1.850.874	**2,235,855**	**3,84,981**

Breakdown of payables by geographic area

An illustrative schedule is also given with the breakdown of payables according to the geographic area of business of the creditor.

(EUR)

Geographic area	Italy	Europe	Rest of the world	Total
Advances	1.019.146	-	-	1.019.146
Payables to suppliers	1.788.108	-	-	1.788.108
Payables due to parent companies	-	131.275	3.963.834	4.095.109
Payables due to companies controlled by parent companies	-	236.341	9.902	246.243
Tax payables	562.219	-	-	562.219
Payables due to social security and welfare institutions	215.337	-	-	215.337
Other payables	2.235.855	-	-	2.235.855
Payables	5.820.665	367.616	3.973.736	10.162.017

Accrued liabilities and deferred income

The following schedule indicates the composition and movements of the item under examination (art. 2427, point 7 of the Civil Code).

(EUR)

	Year opening balance	Change during the year	Year closing balance
Accrued liabilities	415.120	(415.120)	-
Deferred income	-	-	-
Total accrued liabilities and deferred income	415.120	(415.120)	-

SUPPLEMENTARY NOTES, INCOME STATEMENT

Value of production

Production worth composition is given below as well as variations in the single items compared to the previous financial year:

(EUR)

Description	As at March 31, 2021	As at MARCH 31, 2022	Variation	Var, %
Revenue from sales and services	47.843.181	45.577.231	(2.265.950)	(4,74)
Other revenue and proceeds	170.215	354.267	184.052	108,13
Totals	48.013.396	45.931.498	2.081.898	-

Breakdown of net revenue by geographic area

In accordance with the provisions of point 10) of article 2427 we specify the breakdown of revenue from sales and services by geographic area.

(EUR)

Geographic area	Current year value
Italy	40.397.689
Europe	4.350.016
Rest of the world	829.526
Total	45.577.231

Cost of production

The following schedule illustrates the composition and movements in the "Production costs" item.

(EUR)

Description	As at March 31, 2021	As at MARCH 31, 2022	Variation	Var, %
For raw materials, ancillary materials, consumables and goods	1.124.467	**1.218**	**(1.123.249)**	**(99,89)**
For services	25.666.111	**26.822.339**	**1.156.228**	**4,50**
For use of third party assets	2.524.594	**1,973,719**	**(550,875)**	**(21.82)**
For personnel:	-	**-**	**-**	**-**
a) wages and salaries	11.154.664	**10.913.249**	**(241.415)**	**(2,16)**
b) social security contributions	1.447.164	**1.722.118**	**274.954**	**19,00**
c) severance pay	335.440	**435.652**	**100.212**	**29,87**
d) pension indemnity and similar	-	**-**	**-**	**-**
e) other costs	392.598	**428.051**	**35.453**	**9,03**
Depreciations and write-offs:	-	**-**	**-**	**-**
a) tangible fixed assets	-	**-**	**-**	**-**
b) intangible fixed assets	50.862	**55.663**	**4.801**	**9,44**
Contingency fund for risks	70.874	**-**	**(70.874)**	**(100,00)**
Sundry operating charges	37.776	**62,135**	**23,459**	**62,10**
Totals	42.804.550	**42.408.218**	**(396.332)**	**-**

Costs raw materials, ancillary materials, consumables and good

They include mainly the costs for the purchases of the goods and products required for the office uses.

Costs for services

They include all the costs relating to the services incurred by the company during the year. In particular: costs related to the providing of services for the projects (Euro 24.923.339), marketing and sponsorship related (Euro 89.278), legal, fiscal and consultancy expenese (Euro 404.938), recharge of company overhead (Euro 664.909) , communication costs (Euro 309.473).

Use of third party assets

They include the fees incurred by the Company in relation to its offices (euro 146.986), the apartments rented for its employees (Euro 1.666.996) and for the rent of the cars given to the employees (Euro 159.028).

Costs for personnel

It represents the full costs for employees, including also the accruals for vacation and deferred provided by law.

Depreciation tangible assets

They have been calculated applying the rates provided by our fiscal law.

Sundry operations charge

They represent the residual category in which those costs not classified previously are accounted, like registration tax, stamp duty, government concession tax, fines and other management costs.

INCOME TAX FOR THE YEAR, CURRENT, DEFERRED AND PREPAID

Operating income taxes

The composition of the "Operating income taxes" item is illustrated in the following table:

(EUR)

Description	As at March 31, 2021	Variation	Var,%	As at MARCH 31, 2022
Current taxes	2.101.273	**(363.332)**	**(17,29)**	**1.737.941**
Taxes relative to previous periods	(32.465)	**32.465**	**(100,00)**	**-**
Advanced taxes	36.981	**(135.334)**	**(365,96)**	**(98.353)**
Totals	2.105.789	**(466.201)**	**-**	**1.639.588**

"Current taxes" are composed by:

- IRES: Euros 1.316.411;
- IRAP: Euros 421.530.

Deferred taxation (art. 2427, point 14 of the Civil Code)

Deferred taxes were calculated taking into account the amount of all the temporary differences generated from application of tax regulations and applying the rates valid at the moment these differences arose.

Assets for advanced taxes were detected as it is reasonably certain that there will be, during subsequent financial year, a taxable base not inferior to the amount of the differences that will be written off.

The following schedule illustrates the temporary differences that led to detection of deferred and advanced taxes, specifying the relevant amount, the tax rate applied, the tax effect, the amounts receivable or payable to the income statement and the items excluded from the calculation, referring both to the current financial year and the previous financial year.

(EUR)

Description	As at March 31, 2021		Year variation		As at MARCH 31, 2022	
	IRES	IRAP	IRES	IRAP	IRES	IRAP
ADVANCED TAXES	Amount of temporary differences					
Auditors'fee	23.000	-	**-**	**-**	**23.000**	**-**
Bad debt fund	192.335	-	**-**	**-**	**192.335**	**-**
Other accruals	440.348	-	**409.805**	**-**	**850.153**	**-**
Deductible temporary differences totals	655.683	**-**	**409.805**	**-**	**1.065.488**	**-**
Tax losses	-	-	**-**	**-**	**-**	**-**
IRES and IRAP rate	24,00	3,90	**-**	**-**	**24,00**	**3,90**
Advanced taxes receivables	157.364	-	**98.353**	**-**	**255.717**	**-**
DEFERRED TAXES	Amount of temporary differences					
Taxable temporary differences total	-	-	**-**	**-**	**-**	**-**
IRES and IRAP rate	24,00	3,90	**-**	**-**	**24,00**	**3,90**
Deferred taxes liabilities		-	**-**	**-**	**-**	**-**
IRES and IRAP net advanced taxes (deferred taxes)	157.364	-	**98.353**	**-**	**255.717**	**-**
Total net advanced taxes (deferred taxes)	157.364	-	**98.353**	**-**	**255.717**	**-**
- allocated to the Income Statement	-	-	**98.353**	**-**	**-**	**-**

Tax Reconciliation - IRES

We give, finally, a schedule containing the information requested by Accounting Principle No. 25 concerning reconciling the tax burden indicated in the Financial Statements and the theoretical tax burden.

(EUR)

Description	Value	Taxes
Pre-tax result	3.575.432	-
Theoretical tax burden %	24	858.104
Temporary differences taxable in following financial years:	-	-
Temporary differences deductible in following financial years:	-	-
- provision to funds	850.153	-
Total	850.153	-
Reversal of temporary differences from previous financial years:	-	-
Total		
Differences that will not be carried forward in following financial years:	-	-
- benefit for employees	323.179	-
- car costs	52.535	-
- telephone expenses	76.110	-
- sanctions	56	-
- other costs not deductible	1.602.991	-
- other differences	97.967	-
- IRAP deductions	(244.897)	-
- etraordinary items not taxable	(108.042)	-
- exchange gain	(89.967)	-
- other differences	(650.472)	-
Total	1.059.460	-
IRES (Corporate Income Tax) taxable base	5.485.045	-
Current IRES (Corporate Income Tax) for the financial year	-	1.316.411

Tax Reconciliation- IRAP

We give, finally, a schedule containing the information requested by Accounting Principle No. 25 concerning reconciling the tax burden indicated in the Financial Statements and the theoretical tax burden.

(EUR)

Description	Value	Taxes
IRAP (Regional income tax) taxable base (A - B + b9 + b10 lett. c) and d) + b12 + b13)	17.022.350	-
Costs irrelevant for IRAP (Regional Income Tax):	-	-
- not deductible costs	1.636.645	-
Revenue irrelevant for IRAP (Regional Income Tax):	-	-
- Contribution for Super ACE	108.042	-
- other differences	83.504	-
Total	18.467.449	-
Theoretical tax burden %	3,90	720.231
Deductions:	-	-
- INAIL	18.493	-
- Social contributions	1.541.025	-
- Costs for research and development employees	828.837	-
- other deductions	5.270.632	-
Total	7.658.987	-
Temporary differences taxable in following financial years:	-	-
Total		-
Temporary differences deductible in following financial years:	-	-
Totale		-
Reversal of temporary differences from previous financial years:	-	-
Total		-
IRAP (Regional Income Tax) taxable base	10.808.462	-
Current IRAP (Regional Income Tax) for the financial year	-	421.530

For a full disclosure, it is reported that the company pays IRAP tax in four different regions:

- Tuscany: IRAP applicable rate 4,82%;
- Emilia-Romagna: IRAP applicable rate 3,9%;
- Lombardy: IRAP applicable rate 3,9%;
- Piedmont: IRAP applicable rate 3,9%.

SUPPLEMENTARY NOTES, OTHER INFORMATION

Employment data

In accordance with the provisions of point 15) of article 2427 of the Civil Code, the following schedule illustrates the data related to the composition of staff employed as of 31/03/2022.

	Average number
Directors	3
Middle management	31
Office staff	51
Blue collar workers	0
Other employees	19
Total employees	**104**

For a full disclosure, it is reported that the total of detached staff at the end of the financial year is composed by 93 engineers.

Remuneration, advances and credits granted to directors and auditors and commitments on their behalf

The following schedule specifies overall remuneration due the members of the Board of Auditors for the financial year as of 31/03/2022, as required by the point 16 of article 2427 of the Civil Code.

	Auditors
Remuneration	23,000

Commitments, guarantees and potential liabilities not posted to the balance sheet

Compliant with art. 2427 no. 9 of the Civil Code, please note that the Company has no commitments, guarantees and contingent liabilities other than those resulting from the balance sheet.

INFORMATION ON ASSETS AND LOANS ADDRESSED TO SPECIFIC DEALS

Assets and loans allocated to a specific deal

The Company has not created any assets destined to the a specific business.

INFORMATION ON TRANSACTIONS WITH CORRELATED PARTIES

Related party transactions

According to Art. 2427 point 22-bis, please note that during the financial year related party transactions were not carried out with significant amounts and in any case they were fulfilled at regular market conditions. In any case, transactions with related parties are displayed in the following table:

(EUR)

Description	Controlling companies	Other related parties	Total
Revenue	**1.299.316**	**3.881.985**	**5.181.301**
Costs	**23.749.023**	**781.407**	**24.530.610**
Commercial receivables	**2.343.063**	**903.127**	**3.246.190**
Commercial debts	**4.095.109**	**246.243**	**4.341.352**

In item "controlled companies" have been classified the transactions (revenues, costs, receivables and debts) toward the direct parent company Tata Consultancy Services B.V., Amsterdam, and toward the holding Tata Consultancy Services Ltd. Mumbai, India.

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According to Art. 2427 point 22-bis, please note that during the financial year related party transactions took place and the year-end balance is the following ones:

(EUR)

Entity	Revenues for services	Costs for services	Receivables	Payables
Tata Consultancy Services Luxembourg S.A.	-	3.672	7.160	-
Tata Consultancy Services Belgium N.V./S.A.	301.543	32.850	19.566	22.755
Tata Consultancy Services Deutschland GmbH	2.103.489	146.632	387.668	-
Tata Consultancy Services France S.A.S	265.932	250.954	72.498	167.661
Tata Consultancy Services Limited	829.525	23.318.629	2.211.620	3.963.834
Tata Consultancy Services Netherland BV	469.791	430.574	131.443	131.275
Tata Consultancy Services Osterreich GmbH	743.292	-	404.509	-
Tata Consultancy Services Sverige AB	167.288	71.409	-	5.347
Tata Consultancy Services Switzerland Ltd	137.014	76.999	11.715	40.389
Tata Consultancy Services Espana SA	163.427	937	-	188
Tata Consultancy Services Brazil Ltd.	-	197.954	-	9.903
Tata Africa Holdings Ltd.	-	-	11	-
Total	**5.181.301**	**24.530.610**	**3.246.190**	**4.341.352**

INFORMATION ON AGREEMENTS NOT POSTED TO THE BALANCE SHEET

Agreements not included in balance sheet

According to Art. 2427 point 22-ter, please note that the Company is not engaged in any agreement which is not included in the Balance Sheet, represents relevant risks or benefits and is necessary to evaluate the Company's assets and financial situation.

Information on significant events after yearend

Pursuant to art. 2427 no. 22 quater) of the Italian Civil Code after the end of the year, the following is reported.

There were no significant subsequent events that have occurred after the end of the financial year under review COVID 19 is a global pandemic which had given rise to an unprecedented economic scenario and is continuing to have business impact across the world.

The Company is debt-free and has bank balances of EUR 3.873.586 as at March, 31 2022. These balances are unencumbered and are at the free disposal of the Company.

The Company believes that it has the financial strength and a portfolio of technology and business solutions which are even more relevant in partnering with its customers to make them realize their goals.

The Company has assessed its cost budgets required to complete its performance obligations in respect of fixed price projects and incorporated the impact of likely delays/increased cost in meetings its obligations, revision of Service Level Agreements etc.

The company is regularly monitoring its trade receivables with close attention to the customers who might be undergoing financial stress.

The Company does not foresee any large-scale contraction in demand which could result in significant employee down-sizing, rendering the physical infrastructure redundant. Accordingly, no changes are anticipated in the long term leases for the premises taken on lease.

INFORMATION REGARDING DERIVATIVE FINANCIAL INSTRUMENTS AS PER ART. 2427-B CIVIL CODE

Information concerning the "Fair value" of derivative financial instruments

It is hereby stated, in accordance with article 2427-bis, paragraph 1, number 1) of the Civil Code, that the Company does not use derivative instruments.

Summary of balance sheet of the company exercising management and coordination activities

The Company belongs to the Tata Group which carries on management and coordination through the Tata Consultancy Services Netherlands BV company.

Notes forming part of the Financial Statements

The following schedule gives essential figures from the last Financial Statements approved by the Company which carries on management and coordination in accordance with paragraph 4 of article 2497-bis of the Civil Code. Figures provided in the following table are rounded to the nearest EUR '000.

Summary of balance sheet of the company exercising management and coordination activities (overview)

(EUR)

	last financial year	Previous year
Date of the last approved balance sheet	**March 31, 2021**	**March 31, 2020**
A) receivables due from shareholders	-	-
B) Fixed assets	148.446	156.865
C Current assets	224.796	288.634
D) Prepaid expenses and accrued income	-	-
Total assets	373.242	445.499
A) Shareholders' equity		
share capital	66.000	66.000
Reserves	160.567	165.893
Profit (loss) for the year	39.544	39.667
Total shareholders' equity	266.111	271.560
B) Reserves for contingencies and other charges	-	-
Total reserve for severance indemnities (TFR)	-	-
D) Payables	107.131	173.939
E) Accrued expenses and deferred income	-	-
Total liabilities and shareholders' equity	373.242	445.499

Summary of memorandum accounts of the company exercising management and coordination activities (overview)

(EUR)

	last financial year	Previous year
Date of the last approved balance sheet	**March 31, 2021**	**March 31, 2020**
A) Value of production	**619.387**	646.816
B) Costs of production	**588.117**	614.123
C) Financial income and charges	**15.276**	16.331
D) Value adjustments to financial assets	**0**	0
Income taxes for the year	**7.002**	9.357
Profit (loss) for the year	**39.544**	39.667

Information pursuant to art. 1, paragraph 125, of Law 4 August 2017 n. 124

Pursuant to Art. 1 c.125 of Law 124/2017, please note that the total for operating grants and subsidies, commissions, and economic benefits of any nature received from public administration or subjects linked to same:

- based on DL 73/2021 subaparagraph 3 art. 19: tax credit for the transformation of the ACE deduction (so called "Super ACE") for Euro 108.042.

PROPOSED USE OF PROFITS OR HEDGING OF LOSSES

Operating results allocation

Compliant with Art. 2427 no. 22-septies the following operating results allocation is proposed to the shareholders' meeting called to approve the Financial Statement:

(EUR)

Description	Value
Operating profits:	-
- carried forward	**1.935.844**
Total	**1.935.844**

Payment times for commercial transactions

Pursuant to art. 7-ter of Lgs. Decree 231/2002, the average time for payment of suppliers in commercial transactions is 30 days (end of month) from the date of receipt of invoice. Any general delays with regard to the agreed term will be limited to ten working days.

The company's business policies do not envisage requests to suppliers for particular deferments.

Shareholdings in unlimited liability companies

We point out, in accordance with article 2361 paragraph 2 of the Civil Code, that the company have not acquired shareholdings involving unlimited liability in any Company.

Balance sheet conformity statement

MILANO, 28th April 2022

For the Directors

CHAPALAPALLI SAPTHAGIRI

The undersigned CHAPALAPALLI SAPTHAGIRI, as Director, aware of the penal responsibilities in case of false or misleading statement, as per art. 76 of Presidential Decree 445/2000, certifies the correspondence between the XBRL electronic document containing the balance sheet, income statement, financial statement and explanatory notes and the documents stored in the company records according to art.47 of the aforementioned decree.

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TATA CONSULTANCY SERVICES LUXEMBOURG S.A.
Société Anonyme

ANNUAL ACCOUNTS AND REPORT OF THE REVISEUR D'ENTREPRISES AGREE

MARCH 31, 2022

89 D, Rue Pafebruch

L-8308 Capellen

R.C.S. Luxembourg: B112.110

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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MANAGEMENT REPORT FY 2021-22

TATA Consultancy Services Luxembourg S. A. (Company), during the fiscal year ending on the 31st of March 2022 has registered continuous growth despite the impact on the businesses across the globe caused by the unprecedented COIVD 19 pandemic. It has done so through the expansion and enhanced presence within its key customers. The Company continues to work closely with the TCS relationship teams managing global TCS customers that have operations in Luxembourg. The major component of the growth has been from one of TCS's global clients. The long-term relationship with this customer, the quality of service and innovative offerings has led to consolidating TCS's presence and to marked growth in revenue. The service contracts currently in place signifies enhanced revenue growth for this fiscal year and for the years to come.

Finding and hiring local highly qualified resources remains an important challenge in growing our presence in the country. A regular communication with the teams in offshore locations servicing Luxembourg accounts continues to be a key success factor.

However, within the above limits, the Company regularly plans to position and showcase its services and solutions for acquiring new customers and to develop new areas of business with existing customers.

On the basis of the current visibility, the revenue for the year 2022-23 are expected to be at the same level as that of the revenue during the year 2021-22

There are no significant events after the balance sheet date which has a bearing on the financial statements for the year 2021-22.

The COVID-19 pandemic continues to be a global challenge, creating disruptions across the world. Governments and organizations across the world are continuing to support through significant actions, to address the challenges posed by this critical situation.

While the Company continues to leverage its strong portfolio of services to partner with its diversified customers, the impact on future revenue streams could come from, customers postponing their discretionary spend due to change in priorities, coupled with inability of the customers to continue their business.

The Company throughout the year took proactive measures, such as travel restrictions, cancellation of events and large internal meetings, safe working environments and regular connect with the employees to ensure their health and safety, which has helped to minimize the impact.

The Company has institutionalized its Secure Borderless Work SpaceTM (SBWSTM)model, which allowed its employees to work from home, with support from minimal associates working from office, to ensure business support to all its customers. The Company was able to seamlessly adapt and extend this model to prospect for new business, sell, contract and execute programs with strong cybersecurity framework, project management practices and systems needed to ensure that work allocation, monitoring and reporting continued as normal.

Currently, the Company has no significant credit risks, other than those which have already been allowed for, nor any concentrations of credit with a single customer or geographical region which carries an unusual high credit risk. The Company bears no significant third-party interest risk.

The Company operates in a competitive market scenario which is reflected in the competitive prices for services.

The Company does not hold own shares and does not have investment in the shares of parent company and the Company does not have branches. The Company did not incur research and development expenses.

The total net turnover for the year was EUR 84.97 million compared to EUR 74.32 million for the previous year. The year ended with a net profit of EUR 6.18 million as compared to EUR 6.15 million for the previous year. The net profit at the current level is expected to continue going forward, subject however to the long-term impact of COVID 19 pandemic.

Mr. Sapthagiri Chapalapalli

10 May 2022

Mr. Paul Arbab.

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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Board of Directors of
Tata Consultancy Services Luxembourg S.A.
89D, Rue Pafebruch
L - 8308 Capellen
Luxembourg

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Tata Consultancy Services Luxembourg S.A. (the "Company"), which comprise the balance sheet as at 31 March 2022, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies. In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 March 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report but does not include the annual accounts and our report of the "réviseur d'entreprises agréé" thereon. Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error. In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

— Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with the applicable legal requirements.

Luxembourg, 16 May 2022

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Balance Sheet

(EUR)

ASSETS	Reference(s)		As at March 31, 2022		As at March 31, 2021	
A. Subscribed capital unpaid	1101	-	**101**	**-**	102	-
I. Subscribed capital not called	1103	-	**103**	**-**	104	-
II. Subscribed capital called but unpaid	1105	-	**105**	**-**	106	-
B. Formation expenses	1107	-	**107**	**-**	108	-
C. Fixed assets	1109	-	**109**	**139.125,67**	110	140.796,00
I. Intangible assets	1111	-	**111**	**-**	112	-
1. Costs of development	1113	-	**113**	**-**	114	-
2. Concessions, patents, licenses, trade marks and similar rights and assets, if they were	1115	-	**115**	**-**	116	-
a) acquired for valuable consideration and need not be shown under C.I.3	1117	-	**117**	**-**	118	-
b) created by the undertaking itself	1119	-	**119**	**-**	120	-
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	-	**121**	**-**	122	-
4. Payments on account and intangible assets under development	1123	-	**123**	**-**	124	-
II. Tangible assets	1125	3	**125**	**36.703,25**	126	38.373,00
1. Land and buildings	1127	-	**127**	-	128	-
2. Plant and machinery	1129	3	**129**	**5.477,85**	130	1.355,00
3. Other fixtures and fittings, tools and equipment	1131	3	**131**	**20.225,40**	132	34.330,00
4. Payments on account and tangible assets in the course of construction	1133	3	**133**	**11.000,00**	134	2.688,00
III. Financial assets	1135	-	**135**	**102.422,42**	136	102.423,00
1. Shares in affiliated undertakings	1137	-	**137**	**-**	138	-
2. Loans to affiliated undertakings	1139	-	**139**	**-**	140	-
3. Participating interests	1141	-	**141**	**-**	142	-
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	-	**143**	**-**	144	-
5. Investments held as fixed assets	1145	-	**145**	**-**	146	-
6. Other loans	1147	-	**147**	**102.422,42**	148	102.423,00
D. Current assets	1151	-	**151**	**25.304.351,17**	152	29.827.465,00
I. Stocks	1153	-	**153**	**-**	154	-
1. Raw materials and consumables	1155	-	**155**	**-**	156	-
2. Work in progress	1157	-	**157**	**-**	158	-
3. Finished goods and goods for resale	1159	-	**159**	**-**	160	-
4. Payments on account	1161	-	**161**	**-**	162	-

Balance Sheet

(EUR)

	Reference(s)		As at March 31, 2022		As at March 31, 2021	
II. Debtors	1163	-	**163**	**18.144.665,87**	164	27.799.117,00
1. Trade debtors	1165	4	**165**	**14.085.999,99**	166	22.758.011,00
a) becoming due and payable within one year	1167	-	**167**	**14.085.999,99**	168	22.758.011,00
b) becoming due and payable after more than one year	1169	-	**169**	**-**	170	-
2. Amounts owed by affiliated undertakings	1171	4	**171**	**897.551,29**	172	528.899,00
a) becoming due and payable within one year	1173	-	**173**	**897.551,29**	174	528.899,00
b) becoming due and payable after more than one year	1175	-	**175**	**-**	176	-
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	-	**177**	**-**	178	-
a) becoming due and payable within one year	1179	-	**179**	**-**	180	-
b) becoming due and payable after more than one year	1181	-	**181**	**-**	182	-
4. Other debtors	1183	5	**183**	**3.161.114,59**	184	4.512.207,00
a) becoming due and payable within one year	1185	5	**185**	**3.161.114,59**	186	4.512.207,00
b) becoming due and payable after more than one year	1187	-	**187**	**-**	188	-
III. Investments	1189	-	**189**	**-**	190	-
1. Shares in affiliated undertakings	1191	-	**191**	**-**	192	-
2. Own shares	1209	-	**209**	**-**	210	-
3. Other investments	1195	-	**195**	**-**	196	-
IV. Cash at bank and in hand	1197	-	**197**	**7.159.685,30**	198	2.028.348,00
E. Prepayments	1199	6	**199**	**1.163.434,83**	200	1.028.109,00
TOTAL (ASSETS)			**201**	**26.606.911,67**	202	30.996.370,00

Balance Sheet

(EUR)

	Reference(s)		As at March 31, 2022		As at March 31, 2021	
CAPITAL, RESERVES AND LIABILITIES						
A. Capital and reserves	1301	-	**301**	**13.026.813,18**	302	12.847.651,00
I. Subscribed capital	1303	7.1, 8	**303**	**5.600.000,00**	304	5.600.000,00
II. Share premium account	1305	-	**305**	**-**	306	-
III. Revaluation reserve	1307	-	**307**	**-**	308	-
IV. Reserves	1309	7.2, 8	**309**	**794.536,34**	310	794.536,00
1. Legal reserve	1311	7.2.1, 8	**311**	**560.000,00**	312	560.000,00
2. Reserve for own shares	1313	-	**313**	**-**	314	-
3. Reserves provided for by the articles of association	1315	-	**315**	**-**	316	-
4. Other reserves, including the fair value reserve	1429	7.2.2, 8	**429**	**234.536,34**	430	234.536,00
a) other available reserves	1431	-	**431**	**234.536,34**	432	234.536,00
b) other non available reserves	1433	-	**433**	**-**	434	-
V. Profit or loss brought forward	1319	8	**319**	**453.114,63**	320	307.071,00
VI. Profit or loss for the financial year	1321	8	**321**	**6.179.162,21**	322	6.146.044,00
VII. Interim dividends	1323	-	**323**	**-**	324	-
VIII. Capital investment subsidies	1325	-	**325**	**-**	326	-
B. Provisions	1331	-	**331**	**1.148.616,67**	332	1.072.433,00
1. Provisions for pensions and similar obligations	1333	-	**333**	**-**	334	-
2. Provisions for taxation	1335	-	**335**	**-**	336	-
3. Other provisions	1337	9	**337**	**1.148.616,67**	338	1.072.433,00
C. Creditors	1435	-	**435**	**10.829.577,05**	436	15.930.626,00
1. Debenture loans	1437	-	**437**	**-**	438	-
a) Convertible loans	1439	-	**439**	**-**	440	-
i) becoming due and payable within one year	1441	-	**441**	**-**	442	-
ii) becoming due and payable after more than one year	1443	-	**443**	**-**	444	-
b) Non convertible loans	1445	-	**445**	**-**	446	-
i) becoming due and payable within one year	1447	-	**447**	**-**	448	-
ii) becoming due and payable after more than one year	1449	-	**449**	**-**	450	-
2. Amounts owed to credit institutions	1355	-	**355**	**-**	356	-
a) becoming due and payable within one year	1357	-	**357**	**-**	358	-
b) becoming due and payable after more than one year	1359	-	**359**	**-**	360	-

Balance Sheet

(EUR)

	Reference(s)		As at March 31, 2022		As at March 31, 2021	
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks	1361	-	361	-	362	-
a) becoming due and payable within one year	1363	-	363	-	364	-
b) becoming due and payable after more than one year	1365	-	365	-	366	-
4. Trade creditors	1367	-	367	150.769,15	368	110.661,00
a) becoming due and payable within one year	1369	10	369	150.769,15	370	110.661,00
b) becoming due and payable after more than one year	1371	-	371	-	372	-
5. Bills of exchange payable	1373	-	373	-	374	-
a) becoming due and payable within one year	1375	-	375	-	376	-
b) becoming due and payable after more than one year	1377	-	377	-	378	-
6. Amounts owed to affiliated undertakings	1379	-	379	3.467.177,00	380	9.172.844,00
a) becoming due and payable within one year	1381	11	381	3.467.177,00	382	9.172.844,00
b) becoming due and payable after more than one year	1383	-	383	-	384	-
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	-	385	-	386	-
a) becoming due and payable within one year	1387	-	387	-	388	-
b) becoming due and payable after more than one year	1389	-	389	-	390	-
8. Other creditors	1451	12	451	7.211.630,90	452	6.647.121,00
a) Tax authorities	1393	12	393	7.140.048,53	394	6.546.374,00
b) Social security authorities	1395	12	395	43.830,80	396	61.745,00
c) Other creditors	1397	12	397	27.751,57	398	39.002,00
i) becoming due and payable within one year	1399	12	399	27.751,57	400	39.002,00
ii) becoming due and payable after more than one year	1401	-	401	-	402	-
D. Deferred income	1403	13	403	1.601.904,77	404	1.145.660,00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)			405	26.606.911,67	406	30.996.370,00

Statement of Profit and Loss

(EUR)

	Reference(s)		Year ended March 31, 2022		Year ended March 31, 2021	
1. **Net turnover**	1701	14	**701**	**84.966.251,89**	702	74.321.962,00
2. **Variation in stocks of finished goods and in work in progress**	1703	-	**703**	**-**	704	-
3. **Work performed by the undertaking for its own purposes and capitalised**	1705	-	**705**	**-**	706	-
4. **Other operating income**	1713	15	**713**	**824.760,59**	714	1.141.342,00
5. **Raw materials and consumables and other external expenses**	1671	-	**671**	**(66.108.762,91)**	672	(56.076.810,00)
a) Raw materials and consumables	1601	-	**601**	**-**	-	-
b) Other external expenses	1603	-	**603**	**(66.108.762,91)**	604	(56.076.810,00)
6. **Staff costs**	1605	16	**605**	**(10.002.956,58)**	606	(9.905.113,00)
a) Wages and salaries	1607	-	**607**	**(9.669.111,01)**	608	(9.450.486,00)
b) Social security costs	1609	-	**609**	**(245.377,67)**	610	(342.211,00)
i) relating to pensions	1653	-	**653**	**(63.784,88)**	654	(120.356,00)
ii) other social security costs	1655	-	**655**	**(181.592,79)**	656	(221.855,00)
c) Other staff costs	1613	-	**613**	**(88.467,90)**	614	(112.416,00)
7. **Value adjustments**	1657	-	**657**	**(22.038,22)**	658	(12.912,00)
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	3	**659**	**(17.281,41)**	660	(16.506,00)
b) in respect of current assets	1661	-	**661**	**(4.756,81)**	662	3.594,00
8. **Other operating expenses**	1621	17	**621**	**(499.725,07)**	622	(525.786,00)
9. **Income from participating interests**	1715	-	**715**	**-**	716	-
a) derived from affiliated undertakings	1717	-	**717**	**-**	718	-
b) other income from participating interests	1719	-	**719**	**-**	720	-
10. **Income from other investments and loans forming part of the fixed assets**	1721	-	**721**	**-**	722	-
a) derived from affiliated undertakings	1723	-	**723**	**-**	724	-
b) other income not included under a)	1725	-	**725**	**-**	726	-

Statement of Profit and Loss

(EUR)

	Reference(s)		Year ended March 31, 2022		Year ended March 31, 2021	
11. **Other interest receivable and similar income**	1727	18	**727**	**516.635,45**	728	497.544,00
a) derived from affiliated undertakings	1729	-	**729**	**412.164,46**	730	242.320,00
b) other interest and similar income	1731	-	**731**	**104.470,99**	732	255.224,00
12. **Share of profit or loss of undertakings accounted for under the equity method**	1663	-	**663**	**-**	664	-
13. **Value adjustments in respect of financial assets and of investments held as current assets**	1665	-	**665**	**-**	666	-
14. **Interest payable and similar expenses**	1627	19	**627**	**(919.272,17)**	628	(806.334,00)
a) concerning affiliated undertakings	1629	-	**629**	**(349.466,67)**	630	(289.356,00)
b) other interest and similar expenses	1631	-	**631**	**(569.805,50)**	632	(516.978,00)
15. TAX ON PROFIT OR LOSS	1635	20	**635**	**(2.511.388,07)**	636	(2.414.344,00)
16. PROFIT OR LOSS AFTER TAXATION	1667	-	**667**	**6.243.504,91**	668	6.219.549,00
17. **Other taxes not shown under items 1 to 16**	1637	20	**637**	**(64.342,70)**	638	(73.505,00)
18. PROFIT OR LOSS FOR THE FINANCIAL YEAR	1669	8	**669**	**6.179.162,21**	670	6.146.044,00

Notes forming part of the Financial Statements

1. ORGANISATION AND BUSINESS PURPOSE

TATA CONSULTANCY SERVICES LUXEMBOURG S.A. (the "Company") was incorporated on October 28, 2005 as a "Société Anonyme" under the laws of the Grand Duchy of Luxembourg for an unlimited period.

The Company is registered at 89 D, Rue Pafebruch, L-8308 Capellen and its commercial register number is R.C.S. Luxembourg B112.110.

The Company is a subsidiary of Tata Consultancy Services Netherlands B.V., a company organised under the Netherlands' laws under registered number 33237130 and whose registered address is Gustav Mahlerplein 85-91, 1082 MS Amsterdam, the Netherlands.

Tata Consultancy Services Netherlands B.V., a company organised under the Netherlands' laws is a subsidiary of TATA Consultancy Services Limited, a company incorporated under the laws of India under registered number L22210MH1995PLC084781 and whose registered address is Nirmal Building, 9th Floor, Nariman Point, Mumbai - 400 021, India.

The Company's object is the management and operating of information technology ("IT") and communication systems of credit institutions, professionals of the financial sector, undertakings for collective investment or pension funds established under Luxembourg or foreign laws. The Company may also develop and own IT and communication systems and make them available to its aforesaid clients.

The object includes the processing and transfer of data stored in the IT systems.

The Company may also provide IT systems implementation and maintenance services.

The Company co-operates with other entities of the Tata Consultancy Services Group.

The Company has the status of a professional of the financial sector, as such it may carry out any activities deemed useful for the accomplishment of its object remaining however within the limitations of articles 29(1), 29(2), 29(3) and 29(4) of the amended Luxembourg law of April 5, 1993 relating to the financial sector.

The Company's financial year starts on April 1 and ends on March 31 every year.

The consolidated accounts of TATA Consultancy Services Limited, which form the smallest and largest body of undertakings in which the Company is included, are available at the following address: Nirmal Building, 9th Floor, Nariman Point, Mumbai - 400 021, India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Company maintains its books and records in Euro (EUR) and the annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements and the going concern principle under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the amended Law of 19 December 2002, determined and applied by the board of directors of the Company (the "Board of Directors").

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

Significant accounting policies

2.1. Formation Expenses

The formation expenses of the Company are directly charged to the profit and loss account of the year in which they are incurred.

2.2. Tangible assets

The value of tangible fixed assets with limited useful economic lives is reduced by value adjustments calculated on a straight-line basis to write off the value of such assets systematically over their useful economic lives.

The depreciation rates applied are as follows:

- Plant and machinery: 10%, 20% or 25%
- Other fixtures and fittings, tools and equipment: 10%, 20% or 25%

2.3. Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.4. Creditors

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is recorded in the profit and loss account when the debt is issued.

2.5. Foreign currency translation

These annual accounts are expressed in EUR.

The transactions made in a currency other than EUR are translated into EUR at the exchange rate prevailing at the transaction date.

Long-term assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historic exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

All other assets and liabilities expressed in a currency other than EUR are translated separately respectively at the lower and at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates prevailing at the balance sheet date. Solely the unrealized exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account whereas the net unrealised exchange gains are not recognised.

2.6. Revenues from operations

Revenues which are derived from management and operating of Information Technology are recognised over the term of related contract in the period when the services are provided.

Works in progress are classified as invoices to be issued under the caption "Trade debtors". Then invoices are issued in accordance with milestones set in the "Statement of work" agreed with each client.

2.7. Provisions

Provisions are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created to cover charges that have originated in the financial year under review or in previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provision for taxation

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years are recorded under the caption "Other creditors - Tax authorities". The advance tax payments are shown in the assets of the balance sheet under the "Other debtors" item.

2.8. Prepayments

This asset item includes expenditure incurred during the financial year but relating to a subsequent financial year.

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2.9. Deferred income

This liability item includes income received during the financial year but relating to a subsequent financial year.

3. TANGIBLE ASSETS

The following movements have occurred in the course of the financial year:

(EUR)

	Plant & machinery	Other fixtures & fittings, tools & equipment	Payments on account & tangible fixed assets under development	Total
Gross book value - opening balance	**621.040,35**	**2.001.139,02**	**2.688,28**	**2.624.867,65**
Additions for the year	**4.627,05**	**2.688,28**	**11.000,00**	**18.315,33**
Disposals for the year	**(74.491,66)**	**(1.441.536,02)**	**-**	**(1.516.027,68)**
Transfers for the year	**-**	**-**	**(2.688,28)**	**(2.688,28)**
Gross book value - closing balance	**551.175,74**	**562.291,28**	**11.000,00**	**1.124.467,02**
Accumulated value adjustment - opening balance	**(619.685,54)**	**(1.966.809,33)**	**-**	**(2.586.494,87)**
Allocations for the year	**(504,01)**	**(16.777,40)**	**-**	**(17.281,41)**
Reversals for the year	**74.491,66**	**1.441.520,85**	**-**	**1.516.012,51**
Transfers for the year	**-**	**-**	**-**	**-**
Accumulated value adjustment - closing balance	**(545.697,89)**	**(542.065,88)**	**-**	**(1.087.763,77)**
Net book value - closing balance	**5.477,85**	**20.225,40**	**11.000,00**	**36.703,25**
Net book value - opening balance	**1.354,81**	**34.329,69**	**2.688,28**	**38.372,78**

4. TRADE DEBTORS AND AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

Trade debtors are resulting from IT application support and application development business.

Claims on affiliated undertakings amount to EUR 897.551,29 (March 31, 2021: EUR 528.899,00) and result from sales and services provided. Income on work in process not yet invoiced to clients amounts to EUR 1.894.995,16 (March 31, 2021: EUR 1.150.025,00).

5. OTHER DEBTORS

Other debtors may be broken down as follows:

(EUR)

	Within one year	After more than one year	As at March 31, 2022	As at March 31, 2021
Staff allowance for travel and recoverable expenses	**245.566,31**	**-**	**245.566,31**	141.867,00
Withholding tax on remunerations and wages	**158.448,33**	**-**	**158.448,33**	259.067,00
Advances for taxes	**2.757.099,95**	**-**	**2.757.099,95**	4.111.273,00
TOTAL	**3.161.114,59**	**-**	**3.161.114,59**	4.512.207,00

Notes forming part of the Financial Statements

6. PREPAYMENTS

This asset item includes expenditure incurred during the financial year but relating to the subsequent financial year for an amount of EUR 1.163.434,83 (March 31, 2021: EUR 1.028.109,00).

7. CAPITAL AND RESERVES

7.1 Subscribed capital

As at March 31, 2022, the issued capital of the Company amounts to EUR 5.600.000,00 consisting of 5.600 registered shares with par value of EUR 1.000,00 fully paid up.

7.2 Reserves

7.2.1. Legal reserve

In accordance with Luxembourg commercial law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

7.2.2. Other reserves

The other free reserves remain at EUR 234.536,34..

8. MOVEMENTS FOR THE YEAR ON CAPITAL, RESERVES AND PROFIT AND LOSS ITEMS

The movements for the year are as follows:

(EUR)

	Subscribed capital	Legal reserve	Other reserves	Result brought forward	Result for the financial year	TOTAL
Balance as at March 31, 2021	5.600.000,00	560.000,00	234.536,34	307.070,92	6.146.043,71	12.847.650,97
Movements for the year:						
- Allocation of previous year's result	**-**	**-**	**-**	**6.146.043,71**	**(6.146.043,71)**	**-**
- Dividend distribution	**-**	**-**	**-**	**(6.000.000,00)**	**-**	**(6.000.000,00)**
- Result for the year	**-**	**-**	**-**	**-**	**6.179.162,21**	**6.179.162,21**
Balance as at March 31, 2022	**5.600.000,00**	**560.000,00**	**234.536,34**	**453.114,63**	**6.179.162,21**	**13.026.813,18**

9. OTHER PROVISIONS

Other provisions may be broken down as follows:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Provision for subcontracting expenses	**52.445,00**	137.495,00
Provision for emoluments	**254.397,46**	248.192,00
Provision for intercompany expenses	**324.876,18**	326.794,00
Provision for professional fees	**89.648,35**	129.768,00
Others	**427.249,68**	230.184,00
	1.148.616,67	1.072.433,00

9.1 Others

"Others" consists mainly of Tata Brand Equity Provision (EUR 210.214,11) and Marketing related expenses (EUR 156.841,71).

10. TRADE CREDITORS

Trade creditors are made up of suppliers payable.

11. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

Amounts owed to affiliated undertakings are made of debts on purchase and services for an amount of EUR 3.467.177,00 (March 31, 2021: EUR 9.172.844,00).

12. OTHER CREDITORS

The amounts due and payable for the accounts shown under "Other Creditors" are as follows:

(EUR)

	Within one year	After more than one year	As at March 31, 2022	As at March 31, 2021
Tax authorities	**7.140.048,53**	**-**	**7.140.048,53**	6.546.374,00
Social security authorities	**43.830,80**	**-**	**43.830,80**	61.745,00
Other creditors				
- Amounts payable to staff	**27.751,57**	**-**	**27.751,57**	39.002,00
TOTAL	**7.211.630,90**	**-**	**7.211.630,90**	6.647.121,00

13. DEFERRED INCOME

Deferred income includes income received during the financial year ended March 31, 2022 but relating to a subsequent financial year.

14. NET TURNOVER

Net turnover is broken down by category of activity and geographical markets as follows:

(EUR)

Categories of activity	Year ended March 31, 2022	Year ended March 31, 2021
Telecom	**58.533.477,54**	50.236.001,00
BFSI	**21.625.276,08**	18.690.679,00
Manufacturing & Process	**4.683.237,73**	5.357.727,00
High-Tech	**121.200,00**	37.432,00
Others	**3.060,54**	123,00
Total	**84.966.251,89**	74.321.962,00

(EUR)

Geographical markets	Year ended March 31, 2022	Year ended March 31, 2021
Luxembourg	**83.304.684,49**	73.167.671,00
Outside Europe	**1.294.588,03**	892.490,00
Rest of Europe	**366.979,37**	261.801,00
Total	**84.966.251,89**	74.321.962,00

15. OTHER OPERATING INCOME

As at year-end, the Company's other operating income may be analysed as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Subsidies for operating activities	**21.415,23**	28.267,00
Benefits in kind	**596.936,99**	1.037.298,00
Other miscellaneous income	**206.408,37**	75.777,00
TOTAL	**824.760,59**	1.141.342,00

16. STAFF

The average number of persons employed during the financial year by the Company is as follows:

	As at March 31, 2022	As at March 31, 2021
Senior Management	**2**	2
Employees	**127**	130
TOTAL	**129**	132

17. OTHER OPERATING EXPENSES

As at March 31, 2022, the Company's other operating expenses may be analysed as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Staff & Wages - Meal Allowance	**291.192,96**	342.686,00
Tata Brand Equity Contribution	**208.532,11**	183.100,00
	499.725,07	525.786,00

18. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

This item is composed of foreign currency exchange gains.

19. INTEREST PAYABLE AND SIMILAR EXPENSES

This item is mainly composed of foreign currency exchange losses.

20. TAXATION

The Company is subject to all the taxes relevant to commercial companies in Luxembourg.

21. OFF-BALANCE SHEET COMMITMENTS

The off-balance sheet commitments may be broken down as follows:

(EUR)

	Within one year	After more than one year	As at March 31, 2022	As at March 31, 2021
Fixed rental payments	**143.339,97**	**430.805,32**	**574.145,29**	717.485,00
Company cars	**48.065,89**	**44.557,19**	**92.623,08**	139.614,00
TOTAL	**191.405,86**	**475.362,51**	**666.768,37**	857.099,00

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22. EMOLUMENTS, ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

The Company has not granted any emoluments in respect of the financial year to members of the management and supervisory bodies by reason of their responsibilities.

As at March 31, 2022, the Company has not granted advances or loans to members of its administration (March 31, 2021: none).

23. RELATED PARTIES

During the financial year, no significant transactions were concluded outside the normal market conditions with persons holding participations in the Company neither with entities in which the company holds participations, nor with members of the administrative, management or supervisory bodies of the Company.

24. AUDITOR'S FEES

The total fees expensed by the Company and due for the current financial year to the audit firm amounts to EUR 37.216,50 (March 31, 2021: EUR 36.900,00).

25. SUBSEQUENT EVENTS

COVID 19 a global pandemic is continuing to have business impact across the world. The aspects evaluated by the Company in the current situation are:

- The Company is debt-free and has bank balances of EUR 7.159.685,30 as at March, 31 2022. These balances are unencumbered and are at the free disposal of the Company.
- The Company believes that it has the financial strength and a portfolio of technology and business solutions which are even more relevant in partnering with its customers to make them realise their goals.
- The Company has assessed its cost budgets required to complete its performance obligations in respect of fixed price projects and incorporated the impact of likely delays/increased cost in meeting its obligations, revision of Service Level Agreements, etc.

The ongoing military operation in Ukraine and the related sanctions targeted against the Russian Federation may have impact on the European economies and globally. The Company does not have any significant direct exposure to Ukraine, Russia or Belarus. However, the impact on the general economic situation may require revisions of certain assumptions and estimates. This may lead to material adjustments to the carrying value of certain assets and liabilities within the next financial year. At this stage management is not able to reliably estimate the impact as events are unfolding day-by-day.

The longer-term impact of the current scenario could also affect trading volumes, cash flows, and profitability. Nevertheless, at the date of these financial statements the Company continues to meet its obligations as they fall due and therefore continues to apply the going concern basis of preparation.

Tata Consultancy Services Osterreich GmbH

FINANCIAL STATEMENTS

For the year ended March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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Independent Auditors' Report

To the Board of Directors

Tata Consultancy Services Osterreich GmbH

Report On The Special Purpose Ind As Financial Statements

Opinion

We have audited the accompanying Special purpose Ind AS financial statements of Tata Consultancy Services Osterreich GmbH ('the Company), which comprises the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and the summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose Ind AS financial statements"). The special purpose Ind AS financial statements have been prepared by the management as described in Note 2 to the Special Purpose Ind AS financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special purpose Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and it's Loss (including other Comprehensive Income), Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special purpose Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose Ind AS financial statements under the provisions of the Act and the Rules thereunder, and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Special purpose Ind AS financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Special purpose Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose Ind AS financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

In preparing these Special purpose Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special purpose Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special purpose Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements (To the extent applicable to a Company incorporated outside India)

1. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

Restriction on Distribution and Use

This Special purpose Ind AS financial statements have been prepared for the limited purpose of consolidated financial statements, to comply with the Section 129(3) of the Companies Act 2013, of Tata Consultancy Services Limited for the year ended 31st March,2022 in accordance with Accounting Standard specified in section 133 of the Companies Act 2013. Our report is intended solely for the information and use of Board of Directors of the company and Tata Consultancy Services Limited for the preparation of consolidated this Special purpose Ind AS financial statements as aforesaid and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

K B J & ASSOCIATES
(Chartered Accountants)
(Firm Registration No. 114934W)

Kaushik B. Joshi

Date: *6 May, 2022*
PLACE: Mumbai

(Membership No.48889)

Balance Sheet

(EUR)

	Note	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
Non - current assets			
(a) Property, plant and equipment	8(a)	**3,446**	5,351
(b) Right-of-use Assets	7	**22,688**	69,240
(c) Income tax assets (net)		**11,972**	60,906
(d) Deferred tax assets (net)	15	**59,783**	-
Total non-current assets		**97,889**	135,497
Current assets			
(a) Financial assets			
(i) Trade receivables	6(a)		
Billed		**3,209,818**	1,631,344
Unbilled		**5,214**	39,874
(iii) Cash and cash equivalents	6(b)	**945,562**	328,608
(iv) Loans receivables	6(c)	**15,000**	7,710
(v) Other financial assets	6(d)	**17,151**	11,587
(b) Other assets	8(b)	**671,192**	758,707
Total current assets		**4,863,937**	2,777,828
TOTAL ASSETS		**4,961,826**	2,913,325
II. EQUITY AND LIABLITIES			
Equity			
(a) Share capital	6(j)	**35,000**	35,000
(b) Other equity	9	**400,226**	594,135
Total Equity		**435,226**	629,135
Liabilities			
Non-current liablities			
(i) Lease Liabilities		**13,902**	23,042
Deferred tax liabilities (net)	15	**-**	5,454
Total non-current liablities		**13,902**	28,496
Current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities		**18,873**	41,643
(ii) Trade payables	6(e)	**4,097,880**	1,585,002
(iii) Other Financial Liabilities	6(f)	**92,833**	67,019
(b) Unearned and deferred revenue	10	**33,402**	292,809
(c) Employee benefit obligations	12	**8,099**	3,483
(d) Other liabilities	8(c)	**261,611**	265,738
Total current liablities		**4,512,698**	2,255,694
TOTAL EQUITY AND LIABILITIES		**4,961,826**	2,913,325

NOTES FORMING PART OF THE FINANCIAL STATEMENTS **1-17**

As per our report of even date attached.

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889
Mumbai,
Date: 6 May, 2022

For and on behalf of the Board of Directors
of Tata Consultancy Services Osterreich GmbH

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt, Germany

Statement of Profit and Loss

(EUR)

		Note	Year ended March 31, 2022	Year ended March 31, 2021
I.	Revenue	10	**7,977,125**	7,667,368
II.	Other income	11	**2,594**	(10,150)
III.	**TOTAL INCOME**		**7,979,720**	7,657,218
IV.	**Expenses**			
	(a) Employee benefit expenses	12	**641,270**	494,527
	(b) Depreciation expense		**48,456**	59,516
	(c) Other expenses	13(a)	**7,543,689**	7,090,519
	(d) Finance costs	14	**5,451**	4,884
	TOTAL EXPENSES		**8,238,866**	7,649,446
V.	**PROFIT/(LOSS) BEFORE TAX**		**(259,146)**	7,772
VI.	**Tax expense**			
	(a) Current tax	15	**-**	8,494
	(b) Deferred tax	15	**(65,236)**	465
	TOTAL TAX EXPENSE		**(65,236)**	8,959
VII.	**PROFIT/(LOSS) FOR THE YEAR**		**(193,909)**	(1,187)
VIII.	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**		**(193,909)**	(1,187)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS **1-17**

As per our report of even date attached.

For and on behalf of the Board of Directors
of Tata Consultancy Services Osterreich GmbH

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889

Mumbai,
Date: 6 May, 2022

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt, Germany

Statement of Changes in Equity

A) EQUITY SHARE CAPITAL

(EUR)

Balance as on April 01, 2020	Change in equity share capital during the period	Balance as at March 31, 2021
35,000	-	35,000

(EUR)

Balance as on April 01, 2021	Change in equity share capital during the period	Balance as at March 31, 2022
35,000	**-**	**35,000**

B) OTHER EQUITY

(EUR)

	Reserves and surplus	
	Retained earnings	Total Equity
Balance as at April 1,2020	595,322	595,322
Loss for the year	(1,187)	(1,187)
Balance as at March 31, 2021	594,135	594,135
Balance as at April 01, 2021	**594,135**	**594,135**
Loss for the year	**(193,909)**	**(193,909)**
Balance as at March 31, 2022	**400,227**	**400,227**
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	**1-17**	

As per our report of even date attached.

For and on behalf of the Board of Directors
of Tata Consultancy Services Osterreich GmbH

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889

Mumbai,
Date: 6 May, 2022

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt, Germany

Statement of Cash Flows

(EUR)

		Year ended March 31, 2022	Year ended March 31, 2021
I	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit/ (loss) for the year	**(193,909)**	
	Adjustments to reconcile profit and loss to net cash provided by operating activities:		
	Depreciation expense	**48,456**	59,516
	Tax Expense	**(65,236)**	8,959
	Finance Costs	**5,451**	4,884
	Unrealised exchange gain	**6,144**	(9,028)
	Operating Profit/(Loss) before working capital changes	**(199,095)**	63,144
	Net change in		
	Trade receivables	**(1,578,474)**	859,930
	Unbilled receivables	**34,661**	(38,894)
	Other assets	**87,514**	32,862
	Loans receivables and other financial assets	**(12,854)**	1,126
	Trade payables	**2,512,878**	(1,059,446)
	Other financial liabilities	**25,814**	35,094
	Unearned and deferred revenues	**(259,407)**	(472,818)
	Employee benefit obligations	**4,616**	1,543
	Other liabilities and provisions	**(4,127)**	(88,717)
	Cash generated (used) from operations	**611,526**	(666,176)
	Taxes paid (net of refunds)	**48,935**	88,441
	Net cash generated (used) in operating activities	**660,460**	(577,735)
II	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Payment for purchase of property, and equipment	**-**	(3,973)
	Net cash used in investing activities	**-**	(3,973)
III	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Interest paid	**(4,930)**	(3,909)
	Repayment of lease liabilities	**(31,910)**	(57,032)
	Repayment of lease Interest	**(521)**	(975)
	Net cash used in financing activities	**(37,362)**	(61,916)
	Net change in cash and cash equivalents	**623,099**	(643,624)
	Cash and cash equivalents at the beginning of the year	**328,608**	963,204
	Exchange difference on translation of foreign currency cash and cash	**(6,144)**	9,028
	Cash and cash equivalents, as at the end of the year (Refer Note 6 (b))	**945,562**	328,608
IV	**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** 1-17		

As per our report of even date attached.

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889

Mumbai,
Date: 6 May, 2022

For and on behalf of the Board of Directors
of Tata Consultancy Services Osterreich GmbH-
Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt, Germany

1. CORPORATE INFORMATION

Tata Consultancy Services Osterreich GmbH is into business of providing a wide range of information technology and consultancy services.

The Company is incorporated in Austria. The address is Orbi Tower, Thomas Klestil-Platz 13, 1030 Wien, Austria. Tata Consultancy Services Netherlands B.V, the holding Company owned 100% of the Company's equity share capital.

2. STATEMENT OF COMPLIANCE

This special purpose financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time for sole purpose of inclusion for Tata Consultancy Services Limited (Intermediate Holding Company) under the requirement of Section 129(3) of the Companies Act, 2013 ('the Act').

3. BASIS OF PREPARATION

These financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values 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 or non current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and realisation in cash and cash equivalents of the consideration for such a services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These financial statements have been presented in EURO which is the functional currency of the Company.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the standalone financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a) Revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. 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 each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

f) Employee benefits

All the employees of the Company have been seconded from the holding Company. The costs relating to the employee cost is reimbursed to the holding Company which is including the retirement cost as applicable to such seconded employees. Hence no separate actuarial valuation is required to be done by the Company.

g) Lease

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

h) Impact of COVID-19 (pandemic)

The Company has taken into account the possible impacts of COVID-19 in preparation of the standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on leases and impact on effectiveness of its hedgings. The Company has carried out this assessment based on available internal and certain external sources of information upto the date of approval of the standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID 19.

5. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended useThe

useThe amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

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Ind As 106- Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

6. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of asset to another entity. The Company derecognises a financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets amortised cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company assesses at each date of Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, the Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a) Trade Receivables

Trade receivables (unsecured) consist of following:

(EUR)

Trade Receivable - Current	As at March 31, 2022	As at March 31, 2021
Considered good	**3,209,818**	1,631,344
	3,209,818	1,631,344

Above balances of trade receivables includes balance with related parties (Refer Note 17)

Ageing for trade receivables - current outstanding as at March 31, 2022 is as follows:

(EUR)

	Outstanding for following periods from due date of payment						
Particulars	**Not due**	**Less than 6**	**6 months - 1**	**1-2 years**	**2-3 years**	**More than 3**	**Total**
Undisputed trade receivables - considered good	**1,596,560**	**1,613,258**	**-**	**-**	**-**	**-**	**3,209,818**
Total	**1,596,560**	**1,613,258**	**-**	**-**	**-**	**-**	**3,209,818**
							3,209,818
Trade Receivable - Unbilled							**5,214**
							3,215,032

Ageing for trade receivables - current outstanding as at March 31, 2021 is as follows:

(EUR)

	Outstanding for following periods from due date of payment						
Particulars	Not due	Less than 6	6 months - 1	1-2 years	2-3 years	More than 3	Total
Undisputed trade receivables - considered good	998,666	632,678	-	-	-	-	1,631,344
Total	998,666	632,678	-	-	-	-	1,631,344
							1,631,344
Trade Receivables - unbilled							39,874
							1,671,218

Other financial assets

b) Cash and cash equivalents

Cash and cash equivalents consist of the following:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	**944,969**	328,015
Remittances in Transit	**593**	593
	945,562	328,608

c) Loans receivables

Loans receivables (unsecured) consist of the following

(EUR)

Loan receivables - current	As at March 31, 2022	As at March 31, 2021
Considered Good		
Loans and advances to employees	**15,000**	7,710
	15,000	7,710

d) Other financial assets

Other financial assets consist of the following:

(EUR)

Other financial assets – Current	As at March 31, 2022	As at March 31, 2021
Others	**2,183**	1,299
Security deposits	**14,968**	10,286
	17,151	11,585

e) Trade payables

Trade payables consist of the following:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Accrued expenses	**1,305,078**	882,096
Trade and other payables	**2,792,802**	702,906
	4,097,880	1,585,002

Above balances of trade payables includes balance with related parties (Refer Note 17)

Ageing for trade trade payables - current outstanding as at March 31, 2022 is as follows:

(EUR)

	Outstanding for following periods from due date of payment						
Particulars	**Not due**	**Less than 6**	**6 months - 1**	**1-2 years**	**2-3 years**	**More than 3**	**Total**
Others	**2,312,767**	**836,941**	**(271,457)**	**(163,048)**	**24,973**	**52,626**	**2,792,802**
Total	**2,312,767**	**836,941**	**(271,457)**	**(163,048)**	**24,973**	**52,626**	**2,792,802**
Less: Allowance for doubtful trade payable							
							2,792,802
Accrued expenses							**1,305,078**
							4,097,880

Ageing for trade payables - current outstanding as at March 31, 2021 is as follows:

(EUR)

	Outstanding for following periods from due date of payment						
Particulars	**Not due**	**Less than 6**	**6 months - 1**	**1-2 years**	**2-3 years**	**More than 3**	**Total**
Others	997,315	(131,113)	(237,313)	24,973	(6,084)	55,127	702,906
Total	997,315	(131,113)	(237,313)	24,973	(6,084)	55,127	702,906
Less: Allowance for doubtful trade payable							-
							702,906
Accrued expenses							882,096
							1,585,002

f) Other financial liabilities

Other financial liabilities consist of the following:

(EUR)

Other financial liabilities – Current	As at March 31, 2022	As at March 31, 2021
Accrued Payroll	**87,795**	65,644
Others	**5,038**	1,375
	92,833	67,019

g) Financial instruments by category

The carrying value of financial instruments by categories as of March 31, 2022 is as follows:

(EUR)

	Amortised cost	Total carrying value
Financial assets:		
Cash and cash equivalents	**945,562**	**945,562**
Trade receivables	**3,209,818**	**3,209,818**
Unbilled receivables	**5,214**	**5,214**
Loans receivables	**15,000**	**15,000**
Other financial assets	**17,151**	**17,151**
Total	**4,192,744**	**4,192,744**
Financial liabilities:		
Trade payables	**4,097,880**	**4,097,880**
Lease liabilities	**32,775**	**32,775**
Other financial liabilities	**92,833**	**92,833**
Total	**4,223,488**	**4,223,488**

The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

(EUR)

	Amortised cost	Total carrying value
Financial assets:		
Cash and cash equivalents	328,608	328,608
Trade receivables	1,631,344	1,631,344
Unbilled revenues	39,874	39,874
Loans receivables	7,710	7,710
Other financial assets	11,587	11,587
Total	2,019,123	2,019,123
Financial liabilities:		
Trade payables	1,585,002	1,585,002
Lease liabilities	64,685	64,685
Other financial liabilities	67,019	67,019
Total	1,716,706	1,716,706

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables, loans receivables and trade payables as at March 31, 2022 and March 31, 2021 approximate the fair value. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented. Fair value measurement of lease liabilities is not required.

h) 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 consist 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.

There are no financial liabilities or assets measured at fair value at the end of each reporting period.

i) Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Company operates, its operations are subject to risk arising from fluctuations in exchange rates in those countries.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Its hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

The foreign exchange rate sensitivity is calculated by aggregation of net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all currencies by 10% against the functional currency of the Company.

The following analysis has been worked out based on the net exposures of the Company as of the date of balance sheet which could affect the statements of profit and loss and equity.

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The following table sets forth information relating to unhedged foreign currency exposure as of March 31, 2022

(EUR))

	2022					
	USD	SEK	CHF	HUF	DKK	NOK
Net financial assets	**191,007**	**-**	**-**	**-**	**-**	**-**
Net financial liabilities	**56,104**	**229**	**3,243**	**68**	**2,039**	**58**

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately EUR 1292 for the year ended March 31, 2022.

The following table sets forth information relating to unhedged foreign currency exposure as of March 31, 2021

(EUR)

	2021					
	USD	SEK	CHF	HUF	DKK	NOK
Net financial assets	30,154	-	-	-	-	-
Net financial liabilities	20,808	2,733	4,311	45	1,337	-

10% appreciation / depreciation of the functional currency of the Company with respect to various foreign currencies would result in increase / decrease in the Company's profit before taxes by approximately EUR 92. for the year ended March 31, 2021.

- **Interest rate risk**

The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables (PY unbilled revenue), investments, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was EUR 41,77,744 and EUR 2,117,603 as of March 31, 2022 and March 31, 2021 , respectively, being the total of the carrying amount of balances with banks, trade receivables, unbilled receivables and other financial assets excluding equity.

- **Trade Receivables and Contract Assets**

The entity's exposure to credit risk with regards to trade receivables and contract assets is influenced mainly by the individual characteristics of each customer in relation to the industry practices and business environment in which they operate. The entity limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 365 days for its customers after which they are in default (credit impaired). To manage this risk, the Company has a robust Credit Management process in place. The Company has adopted a policy of dealing only with creditworthy counterparties. The Company's exposure of the counterparties is continuously monitored and necessary changes to the credit terms are made. The carrying amounts of financial assets represent the maximum credit risk exposure. None of the customer balances have been written off and no customer balances have been credit impaired at the reporting date.

The following customers form more than 10% of outstanding trade receivable and unbilled receivables (PY Unbilled revenue) as at March 31, 2022 and March 31, 2021 are as follows.

(EUR)

	As at March 31, 2021		As at March 31, 2020	
	Total Trade receivables and Unbilled receivables	Percentage	Total Trade receivables and Unbilled revenue	Percentage
Customer A	**2,962,061**	**94%**	1,372,948	84%
Customer B	**13,388**	**0%**	146,597	9%
Customer C	**12,119**	**6%**	135,854	8%

Company's cash and cash equivalents, trade receivables, unbilled receivables (PY unbilled revenue), short-term loans and other financial assets are substantially held in Austria.

- **Geographic concentration of credit risk**

The Company is not exposed to the risk as the customer base of Company is concentrated in Austria.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as of:

(EUR)

As at March, 31 2022	Due in 1st year	Due in 2nd year	Total
Non-derivative financial liabilities:			
Trade payables	**4,097,880**	**-**	**4,097,880**
Lease Liability	**18,873**	**13,902**	**32,775**
Other financial liabilities	**92,833**	**-**	**92,833**
Total	**4,209,586**	**13,902**	**4,223,488**

(EUR)

As at March, 31 2021	Due in 1st year	Due in 2nd year	Total
Non-derivative financial liabilities:			
Trade payables	1,585,002	-	1,585,002
Lease Liability	47,111	23,377	70,488
Other financial liabilities	67,019	-	67,019
Total	1,699,132	23,377	1,722,509

Other risk

Financial assets of EUR 945,562 as at March 31, 2022 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of EUR 3,215,032 as at March 31, 2022 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable. The Company has specifically evaluated the potential impact with respect to customers in Retail, Travel, Transportation and Hospitality, Manufacturing and Energy verticals which could have an immediate impact and the rest which could have an impact with a lag. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no-recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables and contract assets of EUR 654,614 as at March 31, 2022 while arriving at the level of provision that is required.

j) Equity instruments

(EUR)

	As at March 31, 2022	As at March 31, 2021
Authorised :		
Equity share capital (Share Capital of EUR 35000, PY EUR 35000)	**35,000**	35,000
	35,000	35,000
Issued, subscribed and paid up:		
Equity share capital (Share Capital of EUR 35000, PY EUR 35000)	**35,000**	35,000
	35,000	35,000

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.

i) Reconciliation

(EUR)

	As at March 31, 2022	As at March 31, 2021
Equity shares		
Opening balance	**35,000**	35,000
Closing balance	**35,000**	35,000

* The Company does not have number of equity shares.

ii) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares which is an 100% investment by TCS Netherlands. Since TCS Netherlands is the only shareholder for the Company, TCS Netherlands carry a right to dividend and also in the event of liquidation, TCS Netherlands is eligible to receive the remaining assets of the Company.

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

(EUR)

Equity Shares	As at March 31, 2022	As at March 31, 2021
TCS Netherlands NV (Holding Company)	**35,000**	35,000
% Holding in class	**100%**	100%

iv. Disclosure of shareholding promoters

(EUR)

Disclosure of shareholding of promoters as at March 31st 2022 is as follow:					
Shares Held by Promoters100%					
	AS at March 31,2022		AS at March 31,2022		% Change During the year
Promoter name	Number of Shares	%of Total Shares	Number of Shares	%of Total Shares	
TCS Netherlands NV	**35,000**	**100%**	**35,000**	**100%**	0%
Total	**35,000**	**100%**	**35,000**	**100%**	0%

(EUR)

Disclosure of shareholding of promoters as at March 31st 2021 is as follow:					
Shares Held by Promoters100%					
	AS at March 31,2021		AS at March 31,2020		% Change During the year
Promoter name	Number of Shares	%of Total Shares	Number of Shares	%of Total Shares	
TCS Netherlands NV	**35,000**	**100%**	**35,000**	**100%**	0%
Total	**35,000**	**100%**	**35,000**	**100%**	0%

7. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-ofuse assets 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 assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 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 recognized as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the Company is as follows:

(EUR)

	Additions for the year ended March 31, 2022	Net carrying amount as at March 31, 2022
Leasehold building	-	-
Leased Motor Cars	-	**22,688**
Total	-	**22,688**

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

(EUR)

	Year ended March 31, 2022
Leasehold building	**(37,411)**
Leased Motor Cars	**(9,141)**
Total	**(46,552)**

(EUR)

	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Leasehold building	-	**37,411**
Leased Motor Cars	**35,562**	**31,829**
Total	**35,562**	**69,240**

(EUR)

	Year ended March 31, 2022
Leasehold building	**(52,537)**
Leased Motor Cars	**(4,733)**
Total	**(57,270)**

Interest on lease liabilities is EUR 521 for the year ended on March 31, 2022.

The Company incurred EUR 21,407 for they earended March31,2022 toward sexpenses relating to short-termleases and leases of low-value assets.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

8. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

a) Property, plant and equipment

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value 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
Computer equipment	4 years

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Property, plant and equipment consist of the following:

(EUR)

	Computer Equipment
Cost as at April 1, 2021	**11,506**
Additions	**-**
Disposals	**-**
Cost as at March 31, 2022	**11,506**
Accumulated depreciation as at April 1, 2021	**(6,155)**
Depreciation for the year	**(1,905)**
Accumulated depreciation as at March 31, 2022	**(8,059)**
Net Carrying amount as at March 31, 2022	**3,446**

(EUR)

	Computer equipment
Cost as at April 1, 2020	7,533
Additions	3,973
Disposals	-
Cost as at March 31, 2021	11,506
Accumulated depreciation as at April 1, 2020	(3,909)
Depreciation for the year	(2,246)
Accumulated depreciation as at March 31, 2021	(6,155)
Net Carrying amount as at March 31, 2021	5,351

b) Other assets

Other assets consist of the following:

(EUR)

Other assets – Current	As at March 31, 2022	As at March 31, 2021
Considered Good		
Contract assets	**649,400**	98,483
Prepaid expenses	**21,792**	660,224
	671,192	758,707

c) Other liabilities

Other liabilities consist of the following:

(EUR)

Other liabilities - Current	As at March 31, 2022	As at March 31, 2021
Indirect tax payable and other statutory liabilities	**252,911**	174,759
Advance received from customers	**8,700**	90,979
	261,611	265,738

9. OTHER EQUITY

Other equity consist of the following:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Retained earnings		
Opening balance	**594,135**	595,322
Profit/(Loss) for the year	**(193,909)**	(1,187)
	400,226	594,135

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing information technology, consultancy services and business solutions for its customers. The Company offers a consulting-led, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the entity expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc..
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there is excess of revenue 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 is billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Revenue disaggregation by nature of services is as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Consultancy services	**7,977,125**	7,667,368
Total	**7,977,125**	7,667,368

Revenue disaggregation by industry vertical is as follows:

(EUR)

Industry Vertical	Year ended March 31, 2022	Year ended March 31, 2021
Banking, Financial Services and Insurance	**7,149,167**	6,799,972
Manufacturing	**246,313**	430,257
Communication, Media and Technology	**-**	61,752
Energy & Utilities	**385,139**	255,867
Others	**196,506**	119,520
	7,977,125	7,667,368

Revenue disaggregation by geography is as follows:

(EUR)

Geography	Year ended March 31, 2022	Year ended March 31, 2021
Europe	**7,977,125**	7,667,368
	7,977,125	7,667,368

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

Information about major customers:

UniCredit Services GmbH & UniCredit Business Integrated Solutions Austria GmbH represents 10% or more of the Company's total revenue during the year ended March 31, 2022 and March 31, 2021.

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is EUR 4,094,157 out of which 61.38% is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in Contract assets are as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**98,483**	106,041
Revenue recognised during the year	**596,202**	81,474
Invoices raised during the year	**(45,285)**	(89,032)
Balance at the end of the year	**649,400**	98,483

Changes in Unearned and deferred revenue are as follows :

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**(292,809)**	765,627
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**292,809**	(765,627)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**(33,402)**	292,809
Balance at the end of the year	**(33,402)**	292,809

Reconciliation of revenue recognized with the Contracted price is as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Contracted price	**7,977,125**	7,667,368
Revenue recognised	**7,977,125**	7,667,368

11. OTHER INCOME

Other income consist of the following:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Net foreign exchange gains/(loss)	**3,096**	(10,150)
Other income	**(501)**	-
	2,595	(10,150)

12. EMPLOYEE BENEFITS

Defined contribution plans

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

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Employee benefit expenses consist of the following:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, incentives and allowances	**586,689**	458,565
Contributions to Retirement funds	**44,573**	29,018
Staff welfare expenses	**10,008**	6,943
	641,270	494,527

Employee benefit obligations consist of the following:

(EUR)

Employee benefit obligations – Current	Year ended March 31, 2022	Year ended March 31, 2021
Other employee benefit obligations	**8,099**	3,483
	8,099	3,483

13. COST RECOGNITION

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised in employee benefit expenses, cost of equipment and software licenses, depreciation and amortisation expense and other expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivable and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.

a) Other expenses

Other expenses consist of the following:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Fees to external consultants (including subcontractor cost)*	**2,677,818**	2,184,204
Project expenses	**4,420,908**	4,657,588
Facility expenses	**18,890**	13,308
Travel expenses	**8,727**	10,364
Communication expenses	**1,096**	1,175
Other expenses	**416,249**	229,880
	7,543,689	7,090,519

* Cost of personnel on deputation from TCS

14. FINANCE COSTS

Finance costs consist of the following:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Other interest costs	**4,930**	3,909
Interest on lease liabilities	**521**	975
	5,451	4,884

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

Current income taxes

The current income tax expense for the entity has been computed based on the tax laws applicable in the jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction provided the Company has a legally enforceable right to set off the recognised amounts and intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are

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recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

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.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

The Income-tax expenses consist of the following:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	**(0)**	8,494
Current tax benefit pertaining to prior years	**(0)**	8,494
Deferred tax		
Deferred tax (benefit)/ expense for current year	**(65,236)**	465
	(65,236)	465
Total income tax expense recognised in current year	**(65,236)**	8,959

The reconciliation of estimated income-tax expenses at statutory income tax rate to the income tax expenses reported in the statement of profit and loss is as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) before taxes	**(259,146)**	7,772
Enacted Income tax rate in Osterreich	**25.00%**	25.00%
Expected Income tax expense	**-**	1,943
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
	-	1,943

The tax rates under TCS Osterreich Income Tax Act, for the year ended March 31, 2022 and March 31, 2021 is 25%

Significant components of net deferred tax assets and deferred tax liabilities for the year ended March 31, 2022 are as follows:

As at March 31, 2022

(EUR)

Particulars	Opening balance	Recognised in profit or loss	Recognised in retained earnings	Closing Balance
Deferred tax assets/ (liabilities) in relation to				
Accumulated Losses	**(5,454)**	**65,236**	**-**	**59,783**
Total deferred tax assets/ (liabilities)	**(5,454)**	**65,236**	**-**	**59,783**

Gross deferred tax assets and liabilities are as follows:

(EUR)

As at March 31, 2022	Assets	Liabilities	Net
Deferred tax assets/ (liabilities) in relation to			
Others	**238,379**	**178,596**	**59,783**
Total deferred tax assets/ (liabilities)	**238,379**	**178,596**	**59,783**

Significant components of net deferred tax assets and deferred tax liabilities for the year ended March 31, 2020 are as follows:

(EUR)

Particulars	Opening balance	Recognised in profit or loss	Recognised in retained earnings	Closing Balance
Deferred tax assets/ (liabilities) in relation to				
Accumulated Losses	(4,991)	(465)	-	(5,454)
	-	-	-	-
Total deferred tax liabilities	(4,991)	(465)	-	(5,454)

Gross deferred tax assets and liabilities are as follows:

(EUR)

As at March 31, 2021	Assets	Liabilities	Net
Deferred tax assets/ (liabilities) in relation to			
Others	70,692	76,146	(5,454)
Total deferred tax assets/ (liabilities)	70,692	76,146	(5,454)

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Gross deferred tax assets and liabilities are as follows:

16. SEGMENT INFORMATION

The Company publishes the standalone financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

17. RELATED PARTY TRANSACTIONS

Tata Consultancy Services Osterreich GmbH's principal related parties consist of its holding Company Tata Consultancy Services Netherlands BV , intermediate holding Company Tata Consultancy Services Limited and ultimate holding Company Tata Sons Private Limited. Company routinely enters into transactions with its related parties in the ordinary course of business.

Transactions with related parties are as follows:

(EUR)

	Year ended March 31,2022			
	Tata Sons Private Limited	**Tata Consultancy Services (TCS) limited**	**Subsidiaries of TCS**	**Total**
Revenue	**-**	**-**	**312,683**	**312,683**
Purchases of goods and services (including reimbursement)	**-**	**4,074,740**	**743,292**	**4,818,034**
Cost Recovery	**-**	**35,354**	**167,688**	**203,042**

(EUR)

	Year ended March 31, 2021			
	Tata Sons Private Limited	**Tata Consultancy Services (TCS) limited**	**Subsidiaries of TCS**	**Total**
Revenue	-	-	71,962	71,962
Purchases of goods and services (including reimbursement)	-	3,412,840	1,442,600	4,855,440
Brand equity contribution	409	-	-	409
Cost Recovery	-	19,358	130,309	149,667

Balance Receivable from related parties are as follows:

(EUR)

	Year ended March 31, 2022			
	Tata Sons Private Limited	Tata Consultancy Services (TCS) limited	Subsidiaries of TCS	Total
Trade receivables and unbilled receivables (net)	**-**	**13,133**	**47,036**	**60,169**
Loans Receivable, other financial assets and other assets	**-**	**659,476**	**7,253**	**666,729**
Commitments	**-**	**2,183**	**-**	**2,183**
Total		**674,792**	**54,289**	**726,898**

(EUR)

	Year ended March 31, 2021			
	Tata Sons Private Limited	Tata Consultancy Services (TCS) limited	Subsidiaries of TCS	Total
Trade receivables and unbilled receivables (net)	-	1,181	66,951	68,132
Loans Receivable, other financial assets and other assets	-	661,481	43	661,524
Total	-	662,662	66,994	729,656

Balance Payable to related parties are as follows:

(EUR)

	Year ended March 31, 2022			
	Tata Sons Private Limited	Tata Consultancy Services (TCS) limited	Subsidiaries of TCS	Total
Trade payables, unearned and deferred revenue and Other liabilities	**-**	**2,291,888**	**433,879**	**2,725,768**
Commitments	**-**	**-**	**2,683**	**2,683**
Total	**-**	**2,291,888**	**436,562**	**2,728,451**

Notes forming part of the Financial Statements

(EUR)

	Year ended March 31, 2021			
	Tata Sons Private Limited	Tata Consultancy Services (TCS) limited	Subsidiaries of TCS	Total
Trade payables, unearned and deferred revenue and Other liabilities	-	962,177	229,436	1,191,613
Commitments	-	-	-	-
Total	-	962,177	229,436	1,191,613

As per our report of even date attached.

For and on behalf of the Board of Directors
of Tata Consultancy Services Osterreich GmbH

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889
Mumbai,
Date: 6 May, 2022

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt, Germany

Tata Consultancy Services Danmark ApS

Central Business Registration No: 34465479

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended March 31, 2022

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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INDEPENDENT AUDITORS' REPORT

TTo the Board of Directors
Tata Consultancy Services Denmark ApS

SPECIAL PURPOSE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying special purpose financial statements of Tata Consultancy Services Danmark ApS ('the Company'), which comprise the statement of financial position as of 31st March 2022, and the related statement of profit or loss and other comprehensive income, changes in equity, and cash flow for the year then ended, and the related notes to the special purpose financial statements. The special purpose financial statements have been prepared by the management as described in Note 2 to the Special Purpose financial statements in accordance with the International Financial Reporting Standards (IFRS).

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31st March 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) generally accepted in India. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special purpose financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose financial statements under the provisions of the Act and the Rules there under and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Management's responsibility for the financial statements

The Company's management and Board of Directors are responsible for the preparation of these Special purpose financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity, cash flows of the Company in accordance with the International Financial Reporting Standards. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

As stated in note 3 to the special porpoise financial statements, this special porpoise financial statements have been prepared on liquidation basis of accounting where assets are valued at their net realizable values and liabilities are stated at their estimated settlement amounts as shareholders have approved liquidation plan of the Company effective Decenter 2021.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Evaluate the overall presentation, structure statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

Comparative figures for the financial year ended 31st March 2021 have been taken as per Financial Statements considered by the management for the purpose of Audit of IFRS Consolidated Financial Statements of parent of holding company; TATA Consultancy Services Limited (TCSL); year ended 31st March 2021.

Restriction on Distribution and Use

Audit of this special purpose financial statements, in accordance with International Financial Reporting Standards of the Company for the year ended 31st March 2022 have been prepared for the limited purpose of consolidated financial statements, to comply with the Section 129(3) of the Companies Act 2013, of TCSL for the year ended 31st March 2022. Our report is strictly intended solely for the information and use by TCSL for the preparation of consolidated financial statements and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

For K B J & ASSOCIATES
(Chartered Accountants)
(ICAI Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(ICAI Membership No.48889)

Place: Mumbai

Date: 30th April 2022

Statement of Financial Position
As at March 31, 2022 and March 31, 2021

(DKK)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	**3,306,491**	10,641,797
Trade receivables	7(a)	**1,742,874**	1,172,911
Other financial assets		**504,620**	-
Other assets	8(b)	**-**	7,093
Total current assets		**5,553,985**	11,821,801
Non-current assets			
Other financial assets	7(c)	**713**	713
Total non-current assets		**713**	713
TOTAL ASSETS		**5,554,698**	11,822,514
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	7(d)	**160,678**	3,810,265
Other financial liabilities	7(e)	**-**	(45,194)
Employee benefit obligations	14	**-**	123,678
Income tax liabilities		**37,572**	605,804
Other liabilities	8(c)	**-**	2,114,985
Total current liabilities		**198,250**	6,609,538
TOTAL LIABILITIES		**198,250**	6,609,538
Equity			
Share capital	7(i)	**1,000,000**	1,000,000
Retained earnings		**4,356,448**	4,212,976
Total equity		**5,356,448**	5,212,976
TOTAL LIABILITIES AND EQUITY		**5,554,698**	11,822,514
NOTES FORMING PART OF FINANCIAL STATEMENTS	**1-17**		

As per our report of even date attached.

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889

Mumbai,
Date: 10 May, 2022

For and on behalf of the Board of Directors
of Tata Consultancy Services Danmark ApS

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt, Germany

Statement of Profit or Loss and Other Comprehensive Income
For the years ended March 31, 2022 and March 31, 2021

(DKK)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
REVENUES:			
Revenue	9	**9,660,968**	13,785,713
Operating expenses			
Employee cost	11	**4,400,287**	10,431,656
Other operating expenses	10	**4,979,294**	2,952,531
Total operating expenses		**9,379,581**	13,384,187
Operating profit		**281,387**	401,526
Other income/(expenses)			
Net foreign exchange gains / (losses)	12	**(47,206)**	18,659
Finance cost	13	**(63,401)**	(79,268)
Total other income		**(110,607)**	(60,609)
Profit before taxes		**170,780**	340,917
Income tax expense	14	**27,308**	75,002
Profit for the year		**143,472**	265,915
Other comprehensive income		**-**	-
Total comprehensive income for the period		**143,472**	265,915
NOTES FORMING PART OF FINANCIAL STATEMENTS	**1-17**		

As per our report of even date attached.

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889

Mumbai,
Date: 10 May, 2022

For and on behalf of the Board of Directors
of Tata Consultancy Services Danmark ApS

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt, Germany

Statement of Changes in Equity
For the years ended March 31, 2022 and March 31, 2021

(DKK)

	Share capital	Retained earnings	Total Equity
Balance as at April 1, 2020	1,000,000	3,947,061	4,947,061
Total comprehensive income for the year	-	265,915	265,915
Balance as at March 31, 2021	1,000,000	4,212,976	5,212,976
Total comprehensive income for the year	**-**	**143,472**	**143,472**
Balance as at March 31, 2022	**1,000,000**	**4,356,448**	**5,356,448**

As per our report of even date attached.

For and on behalf of the Board of Directors
of Tata Consultancy Services Danmark ApS

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889

Mumbai,
Date: 10 May, 2022

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt, Germany

Statement of Cash Flows
For the years ended March 31, 2022 and March 31, 2021

(DKK)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities:			
Profit for the year		**143,472**	265,915
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Income tax expense		**27,308**	75,002
Operating profit before working capital changes Net change in:		**170,780**	340,917
Trade receivables		**(569,964)**	5,718,024
Other financial assets		**(504,620)**	4,612
Other assets		**7,093**	(7,093)
Trade and other paybles		**(3,649,587)**	(11,483,734)
Other financial liabilities		**45,194**	(629,575)
Employee benefit obligations		**(123,678)**	(565,806)
Other liabilities		**(2,114,985)**	1,975,620
Cash generated from operating activities		**(6,739,767)**	(4,647,035)
Taxes paid (net of refunds)		**(595,539)**	-
Net cash generated from operating activities		**(7,335,306)**	(4,647,035)
Net change in cash and cash equivalents		**(7,335,306)**	(4,647,035)
Cash and cash equivalents, beginning of the year		**10,641,797**	15,288,832
Cash and cash equivalents, end of the year	7(a)	**3,306,491**	10,641,797
NOTES FORMING PART OF FINANCIAL STATEMENTS	**1-17**		

As per our report of even date attached.

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889

Mumbai,
Date: 10 May, 2022

For and on behalf of the Board of Directors
of Tata Consultancy Services Danmark ApS

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt, Germany

Notes forming part of the Financial Statement
For the year ended March 31, 2022

1. CORPORATE INFORMATION

Tata Consultancy Services Danmark Aps ("the Company") provides software delvelopment, software implementation, application maintenance, consulting services ans IT-based services.

The Company was incorporated on March 16, 2012, as a subsidiary of Tata Consultancy Services Netherlands B.V., for insourcing employees of TDC A/S pursuant to the contract entered into between TDC A/S and Tata Consultancy Services Limited Denmark branch (TCS Denmark branch).

The registered address of the Company is Hammerensgade 1,2., 1267 Copenhagen.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the international accounting standard board ("IASB") and applicable provisions of Danish Financial Statements Act. This special purpose financial statements have been prepared for inclusion of Tata Consultancy Services Limited (Intermediate Holding Company) under the requirement of Section 129(3) of the Companies Act, 2013 ('the Act'). The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented in these financial statements.

3. BASIS OF PREPARATION

As a result of the sharaholders' approval of the liquidation plan effective December 22, 2021, the Company adopted the liquidation basis of accounting for preparation of its financial statements. Under this basis of accounting, assets are valued at their net realizable values and liabilities are stated at their estimated settlement amounts. The conversion from going concern to liquidation basis of accounting requires the management to make significant estimates and judgment to record assets at estimated net realizable values and liabilities are stated at their estimated settlement amounts. However, actual results may vary from these estimates under different assumptions or conditions. Pursuant to the plan of liquidation, since December 22, 2021, the Company's opertaions have been limited to wind up the business affairs, selling the remaining assets and discharging known liabilities. The Company plans to distribute its remaining assets to the shareholders in accordance with the Plan of liquidation.

The functional and reporting currency of Tata Consultancy Services Danmark Aps is Denmark Kroner ("DKK").

Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency using exchange rates prevailing on the date of statement of financial position. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are included in profit or loss. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements is in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue recognition

Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. 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.

c. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

d. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

Pursuant to the decision to liquidate the Company, all known liabilities have been provided for.

The Company uses significant judgements to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

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

6. RECENT ACCOUNTING STANDARDS

The recent amendments to accounting standards will not have any impact on the financial statements since company is being liquidated.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The company derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net of direct issue cost.

a) Cash and cash equivalents

(DKK)

	As at March 31, 2022	As at March 31, 2021
Cash in hand	**-**	-
Balances with bank	**3,306,491**	10,641,797
Total	**3,306,491**	10,641,797

b) Trade receivables

(DKK)

Trade Receivable	As at March 31, 2022	As at March 31, 2021
Trade receivables*	**1,742,874**	1,172,911
Less: Allowance for doubtful trade receivables	**-**	-
Total	**1,742,874**	1,172,911

* Entire balance of trade receivables is with related party as at March 31, 2022 as well as March 31, 2021.

c) Other financial assets

Other financial asset consist of the following:

(DKK)

Other financial assets - Current	As at March 31, 2022	As at March 31, 2021
Net recoverable on account of taxes	**504,620**	**-**
	504,620	**-**
Other financial assets - Non-current		
Other deposits	**713**	713
Total	**713**	713

d) Trade payables

(DKK)

Trade payables	As at March 31, 2022	As at March 31, 2021
Trade payables*	**-**	1,890,834
Accrued expenses	**160,678**	1,919,431
Total	**160,678**	3,810,265

*Trade payables and Accrued expenses include balances with related party of DKK Nil as at March 31, 2022 (DKK 17,105 as at March31, 2021) (Refer Note No. 15).

e) Other financial liabilities - current

(DKK)

Trade payables	As at March 31, 2021	As at March 31, 2020
Accrued payroll	**-**	(45,194)
Total	**-**	(45,194)

f) Financial instruments by category

The carrying value of financial assets and financial liabilities as at March 31, 2022 is as follows:

(DKK)

Financial assets	Amortised cost	Total carrying Value
Cash and cash equivalents	**3,306,491**	3,306,491
Trade receivables	**1,742,874**	1,742,874
Other financial assets	**505,333**	505,333
Total	**5,554,698**	5,554,698
Financial liabilities		
Trade payables	**160,678**	160,678
Other financial liabilities	**-**	-
Total	**160,678**	160,678

The fair value of financial assets and financial liabilities as at March 31, 2021 is as follows:

(DKK)

Financial assets	Amortised cost	Total carrying Value
Cash and cash equivalents	**10,641,797**	10,641,797
Trade receivables	**1,172,911**	1,172,911
Other financial assets	**713**	713
Total	**11,815,421**	11,815,421
Financial liabilities		
Trade payables	**3,810,265**	3,810,265
Other financial liabilities	**(45,194)**	(45,194)
Total	**3,765,071**	3,765,071

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at March 31, 2022 and 2021 approximate the fair value.

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.

h. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rate may have potential impact on the statement of financial statement, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than functional currency of the company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The risk primarily relate to fluctuation of EUR and USD against the functional currency of the Company.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the company.

The following table sets forth information relating to foreign currency exposure as at March 31, 2022:

Financial assets	EUR (equivalent DKK)	USD (equivalent DKK)
Net financial assets	**60,480**	(3,609)
Net financial liabilities	**-**	-

10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Danmark ApS Company would result in decrease / increase in the Company's profit before taxes by approximately DKK 5,687 for the period ended March 31, 2022.

The following table sets forth information relating to foreign currency exposure as at March 31, 2021:

Financial assets	EUR (equivalent DKK)	USD (equivalent DKK)
Net financial assets	**17,105**	-
Net financial liabilities		

10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Danmark ApS Company would result in decrease / increase in the Company's profit before taxes by approximately DKK 1,711 for the period ended March 31, 2021.

• Interest rate risk

The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

Exposure to credit risk

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was DKK 5,050,078 and DKK 11,815,421 as of March 31, 2022 and March 31, 2021 respectively being the total of the carrying amount of balances with bank, bank deposit, trade receivable, unbilled receivables, contract assets and other financial assets.

Tata Consultancy Services Danmark Aps Company's exposure to customers is diversified and single customer contributes to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at March 31, 2022 and March 31, 2021.

(DKK)

	As at March 31, 2022		As at March 31, 2021	
Client Name	**Total trade receivables and Unbilled revenue**	**Percentage**	**Total trade receivables and Unbilled revenue**	**Percentage**
Customer A	1,742,874	100%	1,172,911	100%

- **Geographic concentration of credit risk**

The Company has a geographic concentration of trade receivables (net of allowances), unbilled revenue and contract assets as given below:

(DKK)

	As at March 31, 2022	As at March 31, 2021
Europe	**100.00%**	100.00%

Geographical concentration of trade receivables, unbilled receivables and contract assets is allocated based on the location of the customers.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(DKK)

March 31, 2022	Due in 1st year	Due in 2nd to 5th year	Total
Financial liabilities			
Trade and other payables	160,678	-	160,678
Other financial liabilities	-	-	-
Total	160,678	-	160,678

March 31, 2021	Due in 1st year	Due in 2nd to 5th year	Total
Financial liabilities			
Trade and other payables	3,810,265	-	3,810,265
Other financial liabilities	(45,194)	-	(45,194)
Total	3,765,071	-	3,765,071

i) Equity instruments

(DKK)

	As at March 31, 2022	As at March 31, 2021
Authorised		
10,000 ordinary shares of DKK 100 each	**1,000,000**	1,000,000
Issued, Subscribed and Fully paid up		
10,000 ordinary shares of DKK 100 each	**1,000,000**	1,000,000

Share holding	Percentage	Percentage
Tata Consultancy Services Netherlands B.V.	**100%**	100%

Capital management

The Company's objective for capital management is to maximize 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 product 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.

8. NON-FINANCIAL ASSETS AND LIABILITIES

a) Other assets

Other assets consist of the following:

(DKK)

	As at March 31, 2022	As at March 31, 2021
Other assets - current		
Advance to suppliers	-	780
Prepaid expenses	-	6,313
Tax Credit Entitlements	-	-
Other current assets - others	-	-
Total	-	7,093

b. Other liabilities

Other liabilities consist of the following:

(DKK)

	As at March 31, 2022	As at March 31, 2021
Other liabilities - current		
Indirect tax payable and other statutory liabilities	-	2,114,985
Other current liabilities - Others	-	
Total	-	2,114,985

9. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method .
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Transaction price attributed in case of contracts with subsidiary is arrived at on the basis of arm's length price. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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 the 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 is excess of revenue 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 is 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

(DKK)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from consultancy services	**9,660,968**	13,785,713
Revenue from sale of equipment and software licences	**-**	-
Total	**9,660,968**	13,785,713

Revenue disaggregation by industry vertical is as follows:

(DKK)

Industry vertical	Year ended March 31, 2022	Year ended March 31, 2021
Banking, financial services and insurance	**1,013**	46,799
Communication, media and technology	**3,135,609**	10,837,972
Retail and consumer business	**106,873**	674
Transportation	**421,929**	857,821
Others	**5,995,544**	2,042,447
Total	**9,660,968**	13,785,713

Revenue disaggregation by geography is as follows:

(DKK)

Geography	Year Ended March 31, 2022	Year Ended March 31, 2021
Europe	**9,609,468**	13,227,186
UK	**51,500**	558,527
Total	**9,660,968**	13,785,713

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

10. 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 doubtful trade receivables and advances, 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.

(DKK)

Expenses by function	Year Ended March 31, 2022	Year Ended March 31, 2021
Cost of revenue	**8,024,565**	11,364,395
Selling, general and administrative expenses	**1,355,015**	2,019,792
Total	**9,379,580**	13,384,187

Costs and expenses are recognized when incurred and have been classified according to their nature.

(DKK)

Expenses by nature	Year Ended March 31, 2022	Year Ended March 31, 2021
Project expenses	**-**	(2,432,773)
Fees to external consultants	**4,866,399**	5,381,459
Travel expenses	**45,174**	52,307
Communication	**12,795**	(243,642)
Other expenses	**54,926**	195,182
Total	**4,979,294**	2,952,531

11. EMPLOYEE BENEFITS

The Company provides for amount payable to be employees for compensated absences per the company's policy, which are expected to occur within twelve months after the end of the period in which the employee render the related services are recognised as undiscounted liability at the date of statement of financial position.

Employee cost consist of the following:

(DKK)

	As at March 31, 2022	As at March 31, 2021
Contributions to provident and other funds	**475,387**	1,041,108
Salaries & bonus	**3,897,487**	9,346,615
Staff welfare	**27,413**	43,933
Total	**4,400,287**	10,431,656

All the liabilities pertaining to terminal benefits of the employees have been transferred to TCS Danmark Branch

Employee benefit obligation consist of the following:

(DKK)

	As at March 31, 2022	As at March 31, 2021
Employee benefit obligations - current		
Compensated absences	**-**	123,678
Total	**-**	123,678

12. OTHER INCOME

a. Other gains (net)

(DKK)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Net foreign exchange gain /(loss)	**(47,206)**	18,659
Total	**(47,206)**	18,659

13. FINANCE COSTS

Finance costs consist of the following:

(DKK)

	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest expenses	**63,401**	79,268
	63,401	79,268

14. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. 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.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where 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.

The income tax expense consists of the following:

(DKK)

Current tax	**Year Ended March 31, 2022**	**Year Ended March 31, 2021**
Current tax expense for current year	**27,308**	75,002
Current tax (benefit) / expense pertaining to prior years		
	27,308	75,002
Deferred tax		
Deferred tax expense for current year	**-**	-
Deferred tax expense pertaining to prior years	**-**	-
Total tax expense	**27,308**	75,002

The reconciliation of estimated income tax expense at the Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:

(DKK)

Current tax expenses	**Year Ended March 31, 2022**	**Year Ended March 31, 2021**
Income before taxes	**170,780**	340,917
Statutory tax rate	**22.00%**	22.00%
Expected income tax expense	**37,572**	75,002
Tax pertaining to prior years:		
Current tax	**(10,264)**	-
Deferred tax	**-**	-
Total tax expense	**27,308**	75,002

15. RELATED PARTY TRANSACTIONS

Tata Consultancy Services Danmark Aps principal related parties consist of its ultimate holding company Tata Sons Private Limited, its parent of holding company Tata Consultancy Services Limited, its holding Company Tata Consultancy Services Netherlands B.V. and its subsidiaries, affiliates and its key managerial personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business.

Notes forming part of the Financial Statement
For the year ended March 31, 2022

Transactions with related parties

For the year ended March 31, 2022 (DKK)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Parent of Holding Company	With Subsidiaries of TCSL	Total
Revenue from sale of services and licences	-	9,660,968	-	9,660,968

For the year ended March 31, 2021 (DKK)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Parent of Holding Company	With Subsidiaries of TCSL	Total
Revenue from sale of services and licences	-	13,785,714	-	13,785,714

Balances with related parties

For the year ended March 31, 2022 (DKK)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Parent of Holding Company	With Subsidiaries of TCSL	Total
Trade receivables, unbilled receivables and prepayments (net)	-	1,742,874	-	1,742,874
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	-	-	-	-

For the year ended March 31, 2021 (DKK)

Particulars	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Parent of Holding Company	With Subsidiaries of TCSL	Total
Trade receivables, unbilled receivables and prepayments (net)	-	1,172,911	-	1,172,911
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	-	17,105	-	17,105

Notes forming part of the Financial Statement
For the year ended March 31, 2022

16. DIRECTOR'S REMUNERATION

Remuneration paid/ payable to directors for the year ended is Nil.

17. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

As per our report of even date attached.

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889

Mumbai,
Date: 10 May, 2022

For and on behalf of the Board of Directors
of Tata Consultancy Services Danmark ApS

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt, Germany

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TATA CONSULTANCY SERVICES FRANCE

Public Limited Company

Annual Report and Financial Statements

For the year ended
March 31, 2022

The English language text below is a translation provided for information purposes only. The original French text shall prevail in the event of any discrepancies between the English translation and the French original.

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

CONTENTS	PAGE

Auditor’s report on the financial statements

This is a translation into English of the statutory auditor’s report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditor’s report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

TATA CONSULTANCY SERVICES FRANCE S.A.

Registered office: Tour Initiale - 1 Terrasse Bellini - 92919 La Défense
Share capital: €.446 029,53

Statutory Auditor’s report on the financial statements

For the year ended March 31, 2022

To the annual general meeting of Tata Consultancy Services France,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Tata Consulting Services France for the year ended March 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at March 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors *Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors rules applicable to us, for the period from April 1, 2022 to the date of our report.

Justification of Assessments

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the following matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Your company performs an impairment test on goodwill as described in notes « IV. Principes comptables – Méthodes d'évaluation » and « V.1 Immobilisations incorporelles » to the financial statements. Our work consisted in assessing the reasonableness of data and assumptions on which estimates are based and reviewing the calculations made by the Company.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors approved on May 17, 2022 and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under Article D.441-6 of the French Commercial Code *(Code de commerce)*.

In accordance with French law, we report to you that the non-financial statement provided for in article L. 225-102-1 of the French Commercial Code *(code de commerce)* is not included in the management report and that your Chief Executive Officer has not designated an independent third party to perform such procedures.

Report on Corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Article L.225-37-4 of the French Commercial Code.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paris La Défense, on 17 May, 2022

French original signed by Jacques Pierre

Balance Sheet

(EUR in Thousand)

ASSETS	As at March 31, 2022			As at March 31, 2021
	Gross	Depr./Prov.	Net	Net
CAPITAL SUBSCRIBED & UNCALLED				
FIXED ASSETS				
Intangible assets	**57,755**	**(1,097)**	**56,658**	56,639
Tangible assets	**7,453**	**(4,373)**	**3,081**	2,899
Financial assets	**1,688**	-	**1,688**	1,625
TOTAL I	**66,896**	**(5,469)**	**61,427**	61,163
CURRENT ASSETS				
Trade receivables	**115,597**	**(84)**	**115,513**	91,999
Other receivables	**12,588**	**(2)**	**12,586**	10,803
Investments in securities	**-**	**-**	**-**	-
Liquid assets	**6,183**	**-**	**6,183**	8,797
TOTAL II	**134,368**	**(86)**	**134,282**	111,598
PREPAID EXPENSES				
Deferred charges	**13,818**	**-**	**13,818**	10,834
Conversion adjustment - assets	**67**	**-**	**67**	34
TOTAL ASSETS	**215,149**	**(5,555)**	**209,594**	183,629

LIABILITIES	As at March 31, 2022	As at March 31, 2021
EQUITY		
Registered capital	**446**	446
Merger, issue and contribution premiums	**2,822**	2,822
Reserves	**10,692**	10,692
Carry forward	**(24,931)**	(24,501)
Profit or loss for the FY	**4,354**	(430)
TOTAL I	**(6,618)**	(10,971)
PROVISIONS FOR RISKS AND EXPENSES TOTAL II	**1,369**	956
DEBTS		
Loans and debts with credit institutions	**1**	-
Loans and financial debts	**376**	62
Trade accounts and notes payables	**153,810**	141,963
Social security and tax liabilities	**28,030**	30,571
Liabilities on fixed assets and related	**-**	-
Other payables	**15,137**	8,140
TOTAL III	**197,353**	180,736
PREPAID EXPENSES		
Unrecognised revenues	**17,443**	12,842
Conversion adjustment - liabilities	**47**	67
ACCRUED LIABILITIES	**209,594**	183,629

Statement of Profit and Loss

(EUR in Thousand)

	Year ended March 31, 2022 (12 months)	Year ended March 31, 2021 (12 months)
PROFIT AND LOSS ACCOUNT		
Revenues excl. of tax	**289,590**	244,325
Other operating income	**4,983**	16,022
TOTAL OPERATING INCOME	**294,573**	260,347
Other operating expenses	**182,203**	145,964
Direct and indirect taxes	**3,119**	5,107
Personnel cost	**101,531**	108,892
Depreciation allowances & provisions	**1,372**	950
Other expenses	**638**	467
TOTAL OPERATING EXPENSES	**288,863**	261,380
1 OPERATING RESULT	**5,710**	(1,034)
Income from subsidiaries	**-**	-
Other financial income	**71**	-
Reversals of provisions and depreciation	**34**	60
TOTAL FINANCIAL INCOME	**105**	60
Allowances for provisions and depreciation	**67**	34
Interests and assimilated expenses	**250**	278
TOTAL FINANCIAL EXPENSES	**316**	312
2. FINANCIAL RESULT	**(211)**	(252)
3. PRE-TAX OPERATING RESULT	**5,499**	(1,286)
Extraordinary income	**-**	-
Extraordinary expenses	**1**	123
4. EXTRAORDINARY RESULT	**(1)**	(123)
Tax on profits	**642**	(979)
Employee participation in expansion	**503**	-
5. NET RESULT	**4,354**	(430)

Notes forming part of the Financial Statements

I. NATURE OF THE ACTIVITY AND ACCOUNTING STANDARDS

TATA CONSULTANCY SERVICES FRANCE previously known as ALTI S.A., is an IT services company launched in 1995 that offers specialized consulting services and expert advice in advanced technologies. The company offers a wide range of services related to IT systems set up, ranging from consulting to expert advice in advanced technologies.

The balance sheet total before appropriation of earnings for the financial year is 209,594,185 euro and the statement of income for the year, presented in list form, recorded a profit of 4,353,735 euro on a turnover of 289,589,858 euro.

The financial year was 12 months-long, from 01/04/2021 to 31/03/2022, just like the previous FY that ended on 31/03/2021.

The notes and the tables below are an integral part of the annual accounts.

The accounts for the bygone FY were drawn up and presented in compliance with accounting rules and principles stipulated by articles 121-1 to 121-5 and the subsequent ones of the Plan comptable général.

General accounting conventions have been applied in line with the principle of prudence and with the basic accounting concepts of going concern, consistency of accounting methods from one financial year to another, independence of financial years and pursuant to the general rules for drawing up and presenting annual accounts.

The basis for evaluating the items recorded in the accounts is the historical-cost method.

The accounting conventions applied comply with the provisions of the Commercial Code, more specifically, of the accounting decree of 29/11/83 as well as the regulation by ANC 2014-03 and the regulation by ANC 2018-07 prescribed by the Plan Comptable Général, applicable on the closure of the financial year.

II. INFORMATION ON THE ACCOUNTING PROCESSES INDUCED BY THE CORONAVIRUS EPIDEMIC

The Covid-19 event, during the financial year 2021-2022, did not have any significant impact on the company's assets, financial position and results. As the event was still in progress on the date the annual accounts were closed, the company is unable to precisely assess its impact on years to come.

The impact on the Company as at the reporting date is assessed under the following dimensions:

1. Going concern and liquidity assessment

The Company has liquid assets of Euro 6,183 thousands as on March 31 2022.

The company's accounts for the current FY have been finalised according to the principle of going concern.

2. Future revenue stream

The Company believes it has a rich portfolio of services to partner with customers. The impact on future revenue streams could come from the inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers.

The financial performance in the current year reflects the impact on revenues from affected sectors and the Group has considered such impact to the extent known and available currently. The impact on future revenues cannot be assessed upstream; it will be a continuous process.

3. Current Assets

The trade receivables stand at Euro 115,513 thousands as on 31-03-2022. The Company has considered the likelihood of default considering emerging situations. This assessment is done after considering the nature of industry, impact immediately seen in the demand outlook of these industries and the financial strength of the customers. Similar assessment has been done in respect of invoices to be made while arriving at the fair value. There is no information of discontinuance or cancellation of projects in respect of whom the company is carrying cost/revenue in the balance sheet.

The allowance for doubtful trade receivables is considered adequate considering the emerging risks of default in customers in the impacted industries.

4. Debts, provisions, liabilities

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price projects and incorporated the impact of likely delays/increased cost in meetings its obligations. The Company

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has also assessed the impact of delays and inability to meet contractual commitments and have taken actions such as engaging with the customer to agree on revised service level agreements (SLA's) in light of current crisis, invoking of force-majeure clause etc. to ensure that revenue recognition in such cases reflect realizable revenues.

5. Tangible assets

Tangible assets consist of cost carried towards the Company's office equipment like laptops etc., which are not material. However, the Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of our employee base rendering physical infrastructure redundant. The leases that the Company has entered with lessors towards properties are long term in nature and no changes in terms of those leases are expected due to the current crisis.

6. Intangible Assets - Goodwill

As part of annual process for testing of intangible Assets for impairment, the company has revisited the financial projections basis which future cash flows have been drawn, discount rate that has been applied on the cash flows, growth rate factored while arriving at perpetuity value and subjected them to sensitivity to all these critical parameters. Any impairment as a result of these testing have been duly accounted for in the financial statement with corresponding disclosures and no additional adjustments are considered necessary.

III. KEY ASPECTS DURING THE PERIOD

TCS France entered into a sub-lease agreement with the Company GREEN YELLLOW (S.A.S. with a capital of 16,854 thousand euros) for the premises of 2 floors (24th and 25th) leased in the building complex located "Tour Initiale" at La Défense (92919), 1, Terrasse Bellini.

This sublease is granted for a period of 9 years starting from 1 July 2021 and expiring on 16 February 2030, for an annual rent of 1,025 thousand euros. This agreement has a 28.6-month rent deduction over a first three-year period, expiring on March 31, 2023.

In FY 2021-2022, TCS France has identified its research and development spend for FY 2019-2020 and 2020-2021. The amounts are currently estimated at 1.2 million Euro and 1.3 million Euro respectively for each of these periods.

As the requests for the return of these tax credits under previous tax periods have been audited by the administration, TCS France. chose to post these amounts once they have been cashed.

Tax audits started on January 28, 2021 for the FY 2017-2018 to 2019-2020. The final meeting took place on 14 December 2021. No notification had been received by the Company at the date of book closing.

TCS France went through a URSSAF inspection for the application of social security legislation, unemployment insurance and AGS wage guarantee since January 1, 2018. The inspection commenced on April 8, 2021. The tax adjustments were notified on 22 December 2021 and amount to 187 K€. The Company disagreed but made a provision for this risk in the accounts for that year ended March 31, 2022.

Noteworthy events that took place during the FY

The company has registered revenues of 289.6 million Euro for FY 2021-2022 which is 18.5% higher than the last FY, for comparable scope.

The result of the year was a profit of 4.4 million Euro after considering 604 thousand euros of profit-sharing due to employees (including social contributions) and 642 thousand euros of corporate taxes. As on 31 March 2021, the result of TCS France showed a loss of 0.4 million Euro compared to a profit of 0.6 million Euro the previous year.

The return to profitability is due to increased revenues, higher gross margins from key customers, improved utilization rates and a continued focus on operational efficiencies.

The company is working on identifying research tax credit expense to be posted during this fiscal year.

IV. NOTEWORTHY EVENTS FOLLOWING BOOK CLOSING

In compliance with Article L 833-2 of the Plan Comptable Général, the annual accounts of the entity as of 31 March 2022 were closed addressing the consequences of the coronavirus epidemic on the accounts.

The following items reflect only the conditions that existed on the closing date, taking into account the further developments:

- the accounting value of assets and liabilities
- the impairment of customer receivables
- the impairment of tangible and intangible assets
- the revenue.

TCS France is not affected by the crisis in Ukraine, having no ongoing contracts in that country.

V. ACCOUNTING PRINCIPLES – METHODS OF EVALUATION

General rules for drawing up and presenting accounts

Methods of evaluation and calculation used for the accounts of the financial year that ended on 31 March 2022 are identical to those used for the previous financial year closed on 31 March 2021.

Method of evaluation chosen for certain items in the income statement

Research and development spend

The company's spend on research and development is meant to develop its know-how and define its new technical positioning, especially in line with the potential customers' expectations. The corresponding expenses are recorded under the charges for the financial year in which they were incurred, depending upon their nature.

Tangible and intangible assets

Gross value of tangible and intangible assets corresponds to their initial value obtained after adding the extra expenses needed for readying them for use.

Depreciation is calculated over the normal lifetime of the assets which are generally as follows:

• Software	Linear	1 year
• Licences	Linear	1 year
• Interior layout	Linear	3 to 7 years
• Transport equipment	Linear	4 years
• Office equipment	Linear	4 years
• IT equipment	Linear	3 to 4 years
• Furniture	Linear	5 to 7 years

Intangible assets - Goodwill

Goodwill is assessed once a year based on the updated projections of future cash flow (c.f. § Financial assets hereafter).

Goodwill represents the cost of activities acquired as stated upon the date of acquisition of the business minus the buyer's participation.

Goodwill is not amortised as it is for an unlimited duration.

Goodwill is subject to a depreciation test annually or when the events or circumstances indicate a possible loss of value. If the recoverable amount is estimated to be lower than the book value, the book value is reduced to the recoverable value. A loss in value is recorded in the profit and loss account.

Financial assets

The security deposits are entered in the assets of the balance sheet for the amount corresponding to their payments.

Client receivables and recognition of revenues

Sequential performance contracts (T & M):

Services provided and not billed on the date of closing, in case of T&M contracts are considered as "due for billing".

Fixed price contracts:

Only that percentage of the fixed price contracts that has been delivered is taken into consideration.

According to this method, the revenue tagged to each contract is pro-rata to the time spent by associates as on the date of accounts closing.

When the amount of predictable costs for completion of an engagement could potentially record a loss, a provision for this risk is made based on the best available estimate of the losses at the date of accounts closing.

Account receivables:

Receivables are considered at their nominal value. A depreciation allowance is made on a case by case basis when the inventory value is lower than the book value, depending upon the risks of non-recovery.

Conversion of Account receivables and payables into foreign currency:

Receivables and debts in foreign currency are converted and considered in Euros based on the last known exchange rate on the date of the transaction. Assets and debts shall be revalued at the exchange rate on the date of closure of the FY.

When the application of the conversion rate at the date of FY closing impacts the amounts previously considered, the difference in the conversion rate is reported in a transitory account and adjusted later on, based on the::

- asset side of the income statement for the differences corresponding to unforeseeable losses (due to foreign exchange adjustment)
- liability side of the income statement for the differences corresponding to unforeseeable gains (due to foreign exchange adjustment)

Unrealised losses call for the earmarking of a provision commensurate with the risk.

In compliance with ANC no 2015-05, foreign exchange margins on payables and receivables fall under operating result and not under financial result.

Provision for risks and charges

At the closing of accounts, provisions have to be made for risks and charges that have been identified but not factored and are likely to result as a consequence of the events that have occurred over the financial year. These provisions are estimated on a case by case basis, depending upon the information available.

Credit risk

Financial instruments that pose a credit risk to the company include mainly cash and cash equivalents, investments in securities and client receivables.

The company's cash and cash equivalents are mainly expressed in Euro and are in the safekeeping of four major French banks.

Transactions on bank accounts in foreign currency shall be entered against their equivalent value on the date of transaction. The balance in foreign currency is updated as per the prevalent exchange rate and recorded in the financial result.

Assumptions and estimations made by the Management

For drawing up the financial statement, Tata Consultancy Services France management needs to give estimates and make assumptions that are likely to have an impact on the values of assets, liabilities, revenues and charges as well as on the information given in the appendices.

These assumptions are determined based on the "going concern" principle and depend upon the information available on the date of drawing up the accounts and upon corresponding historical data as well as upon other factors deemed relevant in the circumstances.

Upon each book closure, the assumptions and estimations can be reviewed if the circumstances on which they were based have changed or new information is available to the management. The items in the future financial statements could vary from the present estimations on account of the changes in assumed values.

VI. NOTES ON THE INCOME STATEMENT

1. Intangible assets

(EUR in Thousand)

	Gross value				Depreciations				Net Values
	31/03/2021	Increase	Decrease	31/03/2022	31/03/2021	Allowances	Provision	31/03/2022	31/03/2022
Merger losses TCS France	37,456	-	-	**37,456**	-	-	-	-	**37,456**
Other intangible assets	20,278	-	-	**20,278**	(1,095)	-	-	**(1,095)**	**19,182**
Licence – software		**21**		**21**		**(1)**		**(1)**	**20**
Total	57,734	-	-	**57,755**	(1,095)	**(1)**	-	**(1,096)**	**56,658**

The increase relates to the acquisition of computer software.

The item "other intangible assets" is composed of the following:

(EUR in Thousand)

	Gross value				Depreciations				Net Values
	31/03/2021	Increase	Decrease	31/03/2022	31/03/2021	Allowance	Provision	31/03/2022	31/03/2022
Euractiv	801	-	-	**801**	-	-	-	-	**801**
Cybertech	50	-	-	**50**	-	-	-	-	**50**
Cartem conseil	3,065	-	-	**3,065**	-	-	-	-	**3,065**
PL7 Conseil	44	-	-	**44**	-	-	-	-	**44**
Masterline SI	2,959	-	-	**2,959**	-	-	-	-	**2,959**
Nucleus	250	-	-	**250**	(250)	-	-	**(250)**	**0**
Bright	546	-	-	**546**	(546)	-	-	**(546)**	**0**
Colego	237	-	-	**237**	-	-	-	-	**237**
Itras	5,313	-	-	**5,313**	(300)	-	-	**(300)**	**5,013**
E-Factory	560	-	-	**560**	-	-	-	-	**560**
Advoo	368	-	-	**368**	-	-	-	-	**368**
CGPI	486	-	-	**486**	-	-	-	-	**486**
Aralys	5,598	-	-	**5,598**		-	-		**5,598**
Total	20,278	-	-	**20,278**	(1,095)	-	-	**(1,095)**	**19,182**

Goodwill, just like participating interests, listed in paragraph VI.3 was tested for impairment during the financial year that ended.

The Company considers goodwill and merger losses (56.6 million Euro) as one single asset contributing to the activity of Tata Consultancy Services France whose assets have been evaluated as part of the impairment test.

The recoverable value of this asset subject to test is equivalent to its value in use. It is calculated based on the updated projections of future cash flows, based on the following hypotheses:

- Budgetary data for 2022-23 and revenue projections for FYs 2023-2024 to 2026-2027 have been approved by the Management.

These assumptions are laid down, based on the visibility that the management has of the various sectors and growth prospects. These projections have been made at the end of the first quarter of 2022 in connection with the drawing up of a business plan for 2022-2023 and for the four subsequent FYs. They take into account the uncertainty associated with the exit from the coronavirus crisis and the assumption of return to business as usual:

- Final values are calculated over 5 years by taking into account a perpetual growth rate of 1.5%.
- The discount rate considered as on 31 March 2022 is 9.30% (similar to that of 2021).

The recoverable amount of the asset tested, calculated based on these assumptions seems to be higher than the net accounting value of the asset tested. No depreciation has been noticed as on 31 March 2022 on the tested asset following the execution of the depreciation test.

Key influencing factors

The recoverable value of Tata Consultancy Services France is based on the assumption that the revenue targets will be reached and cost-cutting plan will give expected results. The company has estimated revenue projections based on the existing orders, materialisation of the expected contracts and the market's development potential. Estimated reduction in sales costs, general operational expenses and administrative expenses is based upon the cost optimisation initiatives such as continuous focus on resource utilisation.

The company has carried out an analysis of the sensitivity of values to changes in the key assumptions and it has revealed that:

- A variation of +1 point of the discount rate and / or of -1 point of the perpetual growth rate would not result in a recoverable value of the tested assets to be lower than their accounting value.
- An annual variation of -5% of revenue targets and / or +4% of operational expenses (SG&A) over 2023-27 would not result in a lower recoverable amount of assets tested than their accounting value. Beyond this variation, the accounting value of the assets tested could be challenged.

2. Tangible assets

(EUR in Thousand)

	Gross value				
	31/03/2021	Increase	Item to item transfer	Decrease	31/03/2022
Installations / Fittings	1,703	**3**	**-**	**-**	**1,706**
Office equipment and hardware	3,269	**366**	**-**	**(20)**	**3,615**
Furniture	1,434	**48**	**-**	**-**	**1,482**
Assets in progress	90	**560**	**-**	**(1)**	**649**
Total	6,496	**977**	**-**	**(21)**	**7,453**

(EUR in Thousand)

	Depreciations				
	31/03/2021	Allowances	Item to item transfer	Provision	31/03/2022
Installations / Fittings	(388)	**(152)**	**-**	**-**	**(540)**
Office equipment and hardware	(2,423)	**(359)**	**-**	**20**	**(2,762)**
Furniture	(787)	**(284)**	**-**	**-**	**(1,070)**
Assets in progress	-	**-**	**-**	**-**	**-**
Total	(3,597)	**(795)**	**-**	**20**	**(4, 373)**

(EUR in Thousand)

	Net accounting Values		
	Gross value	Amortisation Provisions	Net Values
Installations / Fittings	**1,706**	**(540)**	**1,166**
Office equipment and hardware	**3,615**	**(2,762)**	**854**
Furniture	**1,482**	**(1,070)**	**412**
Assets in progress	**649**	**-**	**649**
Total	**7,453**	**(4,373)**	**3,081**

3. Financial assets

(EUR in Thousand)

	As at March 31, 2022			As at March 31, 2021		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Loans, deposits and sureties	**1,688**	**-**	**1,688**	1,625	-	1,625
Total	**1,688**	**-**	**1,688**	1,625	-	1,625

4. Customer receivables

Payment term of receivables is less than one year.

(EUR in Thousand)

	As at March 31, 2022	As at March 31, 2021
External Customers	**80,071**	67,535
Group customers	**7,679**	5,582
Doubtful debts	**84**	99
Unbilled Receivables (external customers)	**27,759**	17,181
Unbilled Receivables (group customers)	**4**	1,701
Doubtful Debts Provisions	**(84)**	(99)
Total	**115,513**	91,999

5. Other receivables

Receivables due is less than one year.

(EUR in Thousand)

	As at March 31, 2022	As at March 31, 2021
Current account balance minus provisions / charges	**2,170**	2,170
Tax receivables	**2,346**	2,279
VAT Employee receivables (advance)	**288**	91
Advance to Suppliers	**7,169**	5,818
Others	**615**	444
Doubtful debts Provision	**(2)**	-
Total	**12,586**	10,802

6. Accrued liabilities and income

(EUR in Thousand)

	As at March 31, 2022	As at March 31, 2021
Accrued income		
Clients - yet to be billed	**27,763**	18,882
Suppliers - credit notes	**1,025**	1,114
Other receivables	**-**	443
Total	**28,788**	20,439

(EUR in Thousand)

	As at March 31, 2022	As at March 31, 2021
Accrued charges		
Vendors - bills not received	**31,118**	21,100
Clients - credit notes to be issued	**5,500**	3,169
Tax and social security debts	**15,816**	17,064
Other debts	**40**	16
Total	**52,474**	41,349

7. Income and charges to be carried over to the next financial year

(EUR in Thousand)

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses[1]	**13,818**	10,834
Unearned revenues[2]	**(17, 443)**	(12,842)

[1] Prepaid expenses are reported in the asset line item Accruals and prepaid expenses account.
They correspond mostly to the % of the project executed.

[2] Unearned revenue corresponds to the excessive billing recorded as compared to the revenue figures, given the status of the project in fixed price contracts.

8. Equity capital

The break-up of the equity capital is as follows:

(EUR in Thousand)

	31 March 2021	Transactions on the capital	Income appropriation	Distribution of dividends	Operating result	31 March 2022
Registered capital	446	-	-	-	-	**446**
Issue and merger premiums	2,822	-	-	-	-	**2,822**
Legal reserves	37	-	-	-	-	**37**
Other reserves	10,655	-	-	-	-	**10,655**
Carry forward	(24,501)	-	**(430)**	-	-	**(24,931)**
Profit or loss for the FY	(430)	-	**430**	-	**4,354**	**4,354**
Total	(10,971)	-	**0**	-	**4,354**	**(6,617)**

Registered capital

	Number of securities	Face value	Total in Euro
31 March 2022	**14,867,651**	**0.03**	**446,030.53**

Shares entitled to double voting rights

A shareholder who can prove that s/he has personally held those shares for at least two years, enjoys double voting rights. As of 31 March 2022, there are no securities with double voting rights.

Own shares of Group

None.

Stock options

No stock options have been floated since 30 September 2010.

Subscription warrants for founders' shares

There have been none since 30 September 2010.

Free shares

No free shares have been allotted since 27 October 2007.

Holding

Tata Consultancy Services France previously known as ALTI S.A. is held wholly by Tata Consultancy Services Netherlands since 28 June 2013.

9. Provisions for risks and charges

(EUR in Thousand)

	Time period	31 March 2021	Contributions	Allowances	Used provision	Unused provision	31 March 2022
Provisions for risks							
Labour cases	1 to 5 years	379	-	**387**	**(92)**	-	**673**
URSSAF inspection	1 to 5 years	224	-	**187**	-	-	**411**
Foreseeable loss	1 year	320	-	-	-	**(102)**	**217**
Exchange rate related losses	1 year	34	-	**67**	-	**(34)**	**67**
Total		956	-	**641**	**(92)**	**(136)**	**1,369**

Labour cases

The company has identified and classified the risks (high, medium, low) related to disputes with its employees. Based on its lawyers' opinions, the company has evaluated the extent of its liability involved.

Disputes are of 2 types:

1. Employees disagreeing with their being laid-off
2. Employees demanding additional remuneration (for working Sunday, for being on call etc.)

To factor for the disputes in front of the "Prud'hommes" between TCS FRANCE and its current or former employees, the company has set aside a provision for risk when there is a probability of an outflow of funds, based on the best risk evaluation along with the legal counsels. A provision of 673 K Euro has been earmarked as on 31 March 2022.

URSSAF inspection

Alti SA, having become TCS FRANCE went through a URSSAF inspection in FY 2012 whose conclusions have been formally contested by the company. Provision has been made for the total amount of payroll tax revision in the said financial year.

In February 2018, URSSAF proposed a transaction for the FYs 2010 and 2011. Based on the discussions underway, the amount payable towards the above is 0.2 million Euro.

The findings of the URSSAF inspection, which began on April 8, 2021, aim for an adjustment of €0,2 million. The Company, in disagreement, funded this risk in the accounts for that year ended March 31, 2022.

10. Financial loans and debts

The various loans and financial debts (€376 K) consist of the security deposits received:

- for a sub-lease agreement for €270 K,
- by the expatriates for the accommodation they rent for €106 K.

11. Accounts payables

Payment term of accounts payables is less than a year.

(EUR in Thousand)

	As at March 31, 2022	As at March 31, 2021
Accounts payables	**1,207**	2,902
Group vendors	**121,485(*)**	117,962(*)
Invoices yet to be received from outside the group	**20,341**	13,241
Invoices yet to be received from the group	**10,777**	7,859
Total	**153,810**	141,963

* paid in arrears 74,964 k€ (78,296 k€ as on 31 March 2021)

12. Other payables

Payment term for these payables is less than one year.

(EUR in Thousand)

	As at March 31, 2022	As at March 31, 2021
Expense bills	**42**	21
Provision for volume discounts & credit notes to be issued	**5,500**	3,169
Customer receivables	**7,097**	4,474
Group customers	**2,497**	476
Total	**15,137**	8,140

13. Liquidities and investment securities

The item cash and cash equivalents refers to bank accounts and cash.

VII. NOTES ON THE INCOME STATEMENT

1. Revenues

Revenues as on 31 March 2022 stand at 289,590 K€ against 244,325 K€ as on 31 March 2021. They are entirely made up of services provided in France.

The break-up of the revenues is as follows:

(EUR in Thousand)

Activity	Revenues
Manufacturing & Process	74,445
Lifesciences & Healthcare	64,999
BFSI	50,587
Energy & Resources	46,105
Retail & Distribution	19,274
High-Tech Industry Practice	13,986
TTH	10,902
Telecom,Media & Entertainment	7,955
Government	931
Others	406
Revenues	**289,590**

2. Other income and expenses

(EUR in Thousand)

	Year ended March 31, 2022	Year ended March 31, 2021
Brand Equity	(228)	(33)
Translation gains and losses on purchases and sales	(98)	(132)
Other Income	217	5
Total	**(109)**	(160)

3. Headcount

The company headcount as on 31 March 2022 is 1.039 compared to 1.165 on 31 March 2021.

Executives		Non-executives		Consultants		Average headcount 31 March 2022	Average headcount as on 31 March 2021
Men	Women	Men	Women	Men	Women		
754	257	15	8	2	3	1,039	1,165

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4. Financial income and charges

The break-up of the financial results is as follows:

(EUR in Thousand)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenues from receivables	**-**	-
Financing commission	**(4)**	(2)
Bank interest	**(226)**	(58)
Interest to related parties	**(1)**	(172)
Exchange rate related gain/losses	**71**	-
Allowance for exchange rate related losses	**(33)**	26
Provision for impairment losses, current account and risk	**-**	-
Net effect of merger operations	**-**	-
Miscellaneous	**(18)**	(47)
Total	**(211)**	(252)

5. Extraordinary income and charges

The break-up of the extraordinary results is as follows:

(EUR in Thousand)

	Year ended March 31, 2022	Year ended March 31, 2021
Penalties	**-**	-
Transfer – Disposal of fixed assets	**(1)**	(118)
Donations	**-**	(5)
Total	**(1)**	(123)

6. Corporate taxes and employee profit sharing

Impact of tax provisions on the result is as follows:

(EUR in Thousand)

	Year ended March 31, 2022	Year ended March 31, 2021
Corporate tax	**642**	-
Employee profit-sharing	**503**	-
Research tax credit 2016-2017	**-**	979
Total	**1,145**	979

The above profit-sharing amount does not take into account social contributions (20%).

As on 31 March 2022, after considering the result for the FY 2021-2022 i.e. (5,667) kEuro, and the limitation on the use of losses for the FY, the amount of losses carried forward stands at 80,786 K€.

Tax break-up between operating and extraordinary results

(EUR in Thousand)

	Pre-tax	Tax	Post-tax
Operating result	**5,499**	**(642)**	**4,857**
Extraordinary result	**(1)**	**-**	**(1)**
Employee profit-sharing	**(503)**	**-**	**(503)**
Tax credit	**-**	**-**	**-**
Tax readjustment	**-**	**-**	**-**
TOTAL	**4,995**	**(642)**	**4,354**

Projected tax rebate / excess tax:

(EUR in Thousand)

	Base	Post-tax effect	
		Surcharge	Rebate
Conversion adjustments as on 31 March 2022	**67**	**17**	**-**
Provision for foreign currency adjustment	**67**	**-**	**17**
Organic	**465**	**-**	**114**
Building-related	**300**	**-**	**75**
Employee profit-sharing and social contributions	**604**	**-**	**151**
Carry-forward losses	**80,786**	**-**	**20,196**
Total	**-**	**17**	**20,553**

Tax slab considered starting from 2022: 25%

7. List of subsidiaries and interests

None.

8. Directors' remuneration

Salaries paid out for the year 2021/-2022 by TCS FRANCE are as follows:

(EUR in Thousand)

	Gross annual remuneration paid out
Rammohan Gourneni	452
Pradeep Gaitonde	15
Jean Pernet	28 (included in the overhead expenses)

No advance payments, credits or allotment of free shares were extended to the members of the Management Committee.

9. Other information

Commitments and other contractual obligations

(EUR in Thousand)

	Total	< 1 year	1 to 5 years	> 5 years
Financing lease commitments	**None**	**-**	**-**	**-**
Operational lease commitments	**21,342**	**2,006**	**12,166**	**7,170**
Other long-term commitments	**None**	**-**	**-**	**-**
Total	**21,342**	**2,006**	**12,166**	**7,170**

Commitments related to retirement benefits

There is no special contractual commitment within TCS FRANCE. The employees of the Group are covered by the provisions of the "SYNTEC Collective Convention" in terms of retirement gratuity.

On this basis, the commitment amount is 6,574 K Euro including social security contributions as on 31 March 2022 against 6,594 KEuro as on 31 March 2021. No provision has been made for this amount in the company accounts that have just been closed.

The cost of the services defined is determined using the actuarial valuation method based on projected unit credit.

The calculations were based on the following assumptions:

- Discount rate: 0.75%
- Annual salary increase rate: 2.13%
- Mortality table: TH/TF 00-02
- Turnover rate:

Age	Turnover rate
16-44 years	15.38%
45-49 years	5.77%
50-59 years	2%
60 years and above	0%

Auditors' fees

The auditor' fee are split as follows:

(EUR in Thousand)

	Year ended March 31, 2022	Year ended March 31, 2021
Auditing	**89**	90

Auditor' fee as it appears in the income statement for the FY is 88,550 Euros that is made up of the following:

- Fee charged for auditing the accounts: 88,550 Euros
- fee charged for advice and services that are part of the advisory obligations arising from the legal auditing of the accounts, as defined by the professional rules and standards mentioned in II of article L.822-11: 0 Euros

VIII. IDENTITY OF THE HOLDING COMPANY

TCS FRANCE is a 100% subsidiary of TATA CONSULTANCY SERVICES Netherlands BV. All financial information about the company is included in the consolidated financial statements of the ultimate holding company, Tata Consultancy Services Limited.

Tata Consultancy Services Switzerland Ltd, Zurich Financial Statements

For the year ended March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

INDEPENDENT AUDITORS' REPORT

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF SHAREHOLDERS OF TATA CONSULTANCY SERVICES SWITZERLAND LTD, ZURICH

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Tata Consultancy Services Switzerland Ltd, which comprise the balance sheet, income statement and notes for the year ended 31 March 2022.

Board of directors' responsibility

The board of directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 March 2022 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the board of directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Anna Pohle
Licensed Audit Expert
Auditor in Charge

Sarah Rinderknecht
Licensed Audit Expert

Zurich, 11 May 2022

BALANCE SHEETS

(SWISS FRANCS)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS:			
Current assets:			
Cash and banks		**7,829,626**	24,304,774
Time deposits		**18,514,000**	-
Trade receivables			
Due from third party	3.1	**94,461,484**	74,737,280
Due from affiliated companies		**7,463,507**	6,190,220
Due from shareholders		**374,767**	676,381
Other receivables			
Due from third parties	3.2	**395,410**	328,080
Due from affiliated companies		**4,273,091**	4,318,516
Unbilled Revenue		**24,126,596**	25,289,678
Prepaid expenses			
Due from third parties		**16,255,253**	4,741,225
Due from affiliated companies		**3,245,458**	3,344,508
Total current assets		**176,939,192**	143,930,662
Non-current assets:			
Deposits and guarantees	3.3	**2,167,462**	1,877,357
Fixed assets, net	3.4	**382,414**	512,024
Intangible assets, net	3.5	**184,779**	245,082
Total non-current assets		**2,734,656**	2,634,464
TOTAL ASSETS		**179,673,848**	146,565,126
LIABILITIES AND SHAREHOLDERS' EQUITY:			
Current liabilities:			
Trade payables			
Due to third parties		**359,631**	277,740
Due to affiliated companies		**11,347,785**	5,416,292
Due to shareholders		**1,037,670**	1,012,388
Accounts payable - others	3.6	**11,243,368**	8,532,542
Deferred revenue		**11,348,533**	11,052,817
Accrued expenses			
Due to third parties	3.7	**18,856,102**	15,676,161
Due to affiliated companies		**28,275,905**	18,532,275
Due to shareholders		**215,193**	-
Tax provision		**4,808,488**	4,622,662
Total current liabilities		**87,492,675**	65,122,877
Shareholders' equity			
Share capital		**1,500,000**	1,500,000
Legal retained earnings		**1,030,000**	1,030,000
Voluntary retained earnings		**89,651,174**	78,912,249
Total shareholders' equity		**92,181,174**	81,442,249
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**179,673,848**	146,565,126

STATEMENTS OF INCOME AND AVAILABLE EARNINGS

(SWISS FRANCS)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Gross revenue from sales of services		**454,443,067**	377,678,841
Cost from sales of services		**(338,192,274)**	(269,136,426)
GROSS PROFIT		**116,250,794**	108,542,415
Operating expenses			
Salaries		**(78,709,608)**	(66,692,083)
Travel expenses		**(578,107)**	(282,759)
Marketing and advertising expenses		**(831,168)**	(474,196)
Rent expenses		**(1,071,561)**	(1,277,587)
Office expenses		**(1,072,947)**	(825,746)
Insurance		**(10,341)**	(31,170)
Administrative expenses & others		**(708,270)**	(615,571)
Depreciation		**(351,802)**	(297,334)
Total operating expenses		**(83,333,805)**	(70,496,444)
Operating profit		**32,916,989**	38,045,971
Non-operating (expenses) / income			
Interest income		**5,407**	(2,226)
Interest expenses and bank charges		**(150,118)**	(212,880)
Exchange gains / (losses)		**(1,816,320)**	587,679
Release tax accruals		**737,070**	-
TOTAL NON-OPERATING (EXPENSES) / INCOME		**(1,223,960)**	372,573
ANNUAL PROFIT BEFORE TAX		**31,693,028**	38,418,544
Taxes		**(5,954,104)**	(7,288,825)
PROFIT FOR THE PERIOD/ANNUAL PROFIT		**25,738,925**	31,129,719
AVAILABLE EARNINGS, BEGINNING OF YEAR		**78,912,249**	57,782,530
Payment of dividend		**(15,000,000)**	(10,000,000)
AVAILABLE EARNINGS, END OF PERIOD / YEAR		**89,651,174**	78,912,249

1. GENERAL INFORMATION

Tata Consultancy Services Switzerland Ltd ("the Company") was incorporated on January 15, 1985. The Company was established as a limited company in Switzerland and is domiciled in Oerlikon, ZH. Its main activities consist of providing software products and computer services in Switzerland.

The Company is a wholly-owned subsidiary of Tata Consultancy Services Netherlands BV in the Netherlands ("the Group"). The Group is ultimately owned by Tata Consultancy Services Ltd, Mumbai, India.

The share capital is divided into 150,000 registered shares of CHF 10 par value.

The average number of full-time employees during 2022 and 2021 did not exceed 250.

As the Company is a wholly-owned subsidiary of Tata Consultancy Services Ltd in Mumbai, India that prepares consolidated financial statements in accordance with IFRS, the Company is exempt from additional disclosure requirements for larger companies in accordance with Art. 961d para 1 CO and also exempt to prepare consolidated accounts in accordance with Art 963a para. 1 CO.

2. KEY ACCOUNTING AND VALUATION PRINCIPLES

Principles of financial reporting

The annual accounts for the Company have been prepared in accordance with the regulations of Swiss financial reporting law. The main accounting and valuation principles used, which are not already specified by the Code of Obligations, are described as follows.

Estimates and assumptions made by management

Financial reporting under the Code of Obligations requires certain estimates and assumptions to be made by management. These are made continuously and are based on past experience and other factors (e.g. anticipations of future results, which seem appropriate under the circumstances). The results subsequently achieved may deviate from these estimates.

Actual items in the annual accounts, which are based on the estimates and assumptions made by management, are as follows:

- trade receivables
- unbilled revenue
- accrued expenses

Foreign currency items

The functional currency is Swiss Francs (CHF). Transactions in foreign currencies are converted into the functional currency (CHF) at the exchange rate on the day the transaction takes place.

- Monetary assets and liabilities in foreign currencies are converted into the functional currency (CHF) at the exchange rate on the balance sheet date. Any profits or losses resulting from the exchange are recorded in the profit and loss account.
- Non-monetary assets and liabilities at historical costs are converted at the foreign exchange rate at the time of the transaction. Any foreign exchange profits are deferred in the balance sheet as not having an effect on net income. Foreign exchange losses, on the other hand, are recorded in the profit and loss account.

Related parties

Related parties include subsidiary companies, members of the board of directors and the shareholders of the Company. Transactions with related parties must take place under proper market conditions (dealing at an arm's length).

Trade receivables

Trade receivables are recorded at their original net invoice amount, less a value adjustment for specific receivables carrying risk (contingency reserves). Value adjustments are carried out for receivables, which are more than 12 months overdue (in arrears) for the full amount, 50% of the amount for receivables which are overdue for 9 to 12 month or for which specific risks have been identified. Doubtful receivables are written off.

Tangible fixed assets

The straight-line depreciation method is used for tangible fixed assets according to their expected useful life. Useful lives are established as follows and are revised each year:

- Leasehold improvements — according to rent contract
- Furniture and fixtures — 5 years
- Computer — 4 years
- Office equipment — 4 to 5 years

If there is any evidence of an over-valuation, the accounting values are checked and adjusted where necessary.

Revenue recognition

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

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

Revenue from sale of software licenses are recognised upon delivery.

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

In respect of Business Process Services, revenue on time and material and unit priced contracts is recognised as the related services are rendered, whereas revenue from fixed price contracts is recognised using the percentage of completion method with contract cost determining the degree of completion.

When recognized revenue is not billed then it is accounted as unbilled revenue in balance sheet.

Revenue is reported net of discounts.

3. INFORMATION RELATING TO ITEMS ON THE BALANCE SHEET AND STATEMENT OF INCOME

3.1 Trade receivables – due from third parties

(In CHF)

	As at March 31, 2022	As at March 31, 2021
Receivables from third parties	**94,487,357**	75,346,955
Less allowance for doubtful accounts	**(25,873)**	(609,675)
Total	**94,461,484**	74,737,280

3.2 Other receivables – due from third parties

(In CHF)

	As at March 31, 2022	As at March 31, 2021
Recoverable from employees	**240,703**	186,563
Recoverable Other	**154,707**	141,517
Total	**395,410**	328,080

3.3 Deposits and guarantees

Deposits for flats and offices on postal and bank accounts amount to CHF 2,167,462 as of March 31, 2022 (2021: CHF 1,877,357).

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3.4 Fixed assets

(In CHF)

	As at March 31, 2022	As at March 31, 2021
Computer	**648,619**	556,142
Furniture and fixtures	**627,283**	627,283
Office equipment	**261,741**	196,750
Leasehold improvements	**1,870,712**	1,870,712
Less depreciation and value adjustments	**(3,025,941)**	(2,738,863)
Total	**382,414**	512,024

3.5 Intangible assets

(In CHF)

	As at March 31, 2022	As at March 31, 2021
Software licences	**260,742**	256,318
Less depreciation and value adjustments	**(75,963)**	(11,236)
Total	**184,779**	245,082

3.6 Other payables

(In CHF)

	As at March 31, 2022	As at March 31, 2021
Liabilities due to tax authorities	**2,129,498**	1,272,164
Liabilities due to VAT authorities (Output tax)	**8,724,952**	7,014,640
Liabilities due to institutions and staff	**388,918**	245,738
Total	**11,243,368**	8,532,542

3.7 Accrued expenses – due to third parties

(In CHF)

	As at March 31, 2022	As at March 31, 2021
Provision for staff and social obligations	**6,818,853**	5,188,921
Provision for vendors	**12,037,249**	10,487,240
Total	**18,856,102**	15,676,161

3.8 Rent and other commitments

As of March 31, 2022 the Company has rent commitments for its offices in Zurich, Nyon and Basel for CHF 3,741,672 (2021: CHF 1,033,368).

3.9 Leasing

As of March 31, 2022, the Company has outstanding liabilities for leasing contracts in the amount of CHF 190,733 (2021: CHF 234,053).

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS AS PER MARCH 31, 2022

The Board of Directors proposes to the General Shareholder Meeting the dividend distribution as follows:

	(In CHF)
Available earnings at the disposal of the General Meeting	**89,651,174**
Dividend	**20,000,000**
Carry forward the balance of	**69,651,174**

TATA CONSULTANCY SERVICES DE ESPAÑA, S.A.U.

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
MARCH 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

CONTENT	PAGE

MANAGEMENT REPORT

EVOLUTION OF BUSINESS DURING THE YEAR

The revenue from operations during the financial year 2021-2022 was 45.636.800 euros, which has shown an increase of 8,4% against the previous year, due to the generally prevailing economic conditions in Spain and across the world after the worst part of the pandemic. The main activity contributing to this turnover continued to be information technology (IT) and IT enabled services.

The employee benefit expenses of 25.289.323 euros represent 55,4% of sales, being the direct cost of the activities. The employee cost decreased by 2,1% compared to the previous year due to the overall reduction obtained in staff expenses.

Operative income for the year 2021-2022 was 2.569.667 euros which is higher than the previous year by 45,9% due to the improvement of margins after the adjustments in costs of projects.

Financial income showed a loss of 79.002 euros due to the movements of the exchange rate Euro/USD, which has not been favorable to the Company in this financial year.

The company's investments in fixed assets during the year have been mainly in hardware and improvement of the facilities to develop its activities.

The main clients of the Company are multinational companies and the companies in the field of transportation, life sciences & health-care and financial services.

The main business risks that the Company faces arises from the general economic situation and specifically the services business in information technology, where the principal players are the multinational companies.

IMPACT OF COVID-19

The continuing COVID-19 pandemic emerged as a global challenge, creating continuous disruption across the world. Governments and organizations across the world are continuing to support through significant actions, to address the challenges posed by this situation.

During this year, while the Company has continued to leverage its strong portfolio of services to partner with its diversified customers, the impact on revenue streams could come from, customers postponing their discretionary spend due to change in priorities, coupled with inability of the customers to continue their business.

The Company throughout the year has restarted activities such as travels, events and internal meetings, keeping safe working environments and regular connect with the employees to ensure their health and safety.

The Company uses its Secure Borderless Work Space TM (SBWSTM) model, which allowed its employees to work from home, with support from minimal associates working from office, to ensure business support to all its customers. The Company was able to seamlessly adapt and extend this model to prospect for new business, sell, contract and execute programs with strong cybersecurity framework, project management practices and systems needed to ensure that work allocation, monitoring and reporting continued as normal

PAYMENT TERMS TO SUPPLIERS

The average term for payments to suppliers has been 106 days which is almost similar to the previous year. In order to avoid the overdues over and above the contracted payment terms, the Company will keep strengthening their processes going forward. Payables to the group companies constitute a major component of the total payables.

POSITION OF THE COMPANY

The equity of the Company was 8.373.823 euros. Share capital is represented by 60.200 shares with a face value of Euro 1, fully subscribed and paid. At the end of the year all the share capital belongs to the Group's company TCS Netherlands, B.V. and indirectly, all the share capital is owned by the company TATA CONSULTANCY SERVICES LIMITED.

BUSINESS FORECAST

As the worst stage of the pandemic COVID-19 has receded, the Company forecasts the next year revenues to be in a similar level as that of the current year, keeping at the same time costs under control.

OBJECTIVES AND MANAGEMENT OF FINANCIAL RISKS

Management of risk is controlled by the company according to the policies approved by the Directors:

- **Market risk**

  There are no financial investments made by the company. Hence there are no market risks in respect of financial investments.

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- **Credit risk**

  The Company has a concentrated credit risk in few clients outside the group, being mainly multinational companies. The Company has policies to assess that the revenue is generated from the clients having a clean track record of payments. The Company has policies to limit the amount of credit risk with any customer.

  Impairment for credit risk from clients' insolvencies implies an elevated level of judgment by the Management and review of individual balances based on the credit quality of the clients, current trends and historical analysis of the insolvencies at an aggregated level with no forecasts of material impairments for credit risk.

- **Liquidity risk**

  The company has a prudent management of the liquidity risk, based in holding adequate cash in order to meet its payment commitments.

  No financial instruments are carried at fair value. Financial instruments carried at amortised cost as of 31 March 2022 are 18.798.419 euros and were 15.012.183 euros as of 31 March 2021.

  Financial assets of 4.483.003 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of 14.249.753 euros forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance for doubtful debts. In addition to the historical pattern of doubtful debts credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. The Company closely monitors its customers who are going through financial stress and assesses suitable actions on case to case basis. Similar assessment is done in respect of unbilled receivables while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of 8.048 euros is considered adequate.

- **Foreign currency exchange risk**

  The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

- **Interest rate risk**

  The interest rate risk for the Company arises from the negative rates charged to cash deposited in credit institutions. A rate variation of 1% would have a maximum impact on the income before taxes of approximately 40.000 euros.

- **Price risk**

  There are no financial investments made by the company. Hence there are no price risks in respect of financial investments.

ENVIRONMENT

There are no significant assets dedicated to protection and improvement of the environment, neither any major expenses of this nature have been incurred during the year. Equally, it is estimated that no material contingency related to protection and improvement of environment exists.

OWN SHARES

The Company does not own any shares of the company, neither any transaction on its own shares has been carried out during the year.

ACTIVITIES OF RESEARCH AND DEVELOPMENT

The company did not incur any research and development expenses in the current year.

STATEMENT OF NON-FINANCIAL INFORMATON

The company has used the exemption for preparing of the Statement of Non-Financial Information established in article 262.5 of the Law of Capital Companies, considering that the group's ultimate parent company, TATA CONSULTANCY SERVICES LIMITED, includes in its consolidated report the Company and its subsidiary, which has been prepared in accordance with GRI standards. This consolidated report will be deposited in the relevant Indian Register and is available on the group's website.

The present management report included from pages 1 to 4 above has been issued by the Board of Directors in Madrid, on 02 May 2022.

Sapthagiri Chapalapalli	**Prithwis Chandra Ray**	**Pradeep Manohar Gaitonde**
President	Director	Director

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Independent Auditor's Report

To the Sole Shareholder of
Tata Consultancy Services De España, S.A.U.

Opinion

We have audited the financial statements of TATA CONSULTANCY SERVICES DE ESPAÑA, S.A.U.,(the Company), which comprise the balance sheetas of31 March2022,the statementof income, the statement of changes in equity, the statement of cash-flowsand the notes to the financial statementsfor the year then ended.

In our opinion, the accompanyingfinancial statements express, in all material matters, a true and fair view of the equityand financial position of the Companyas of31 March2022,and of its financial performanceand its cash-flows for the year then ended in accordance with the applicable accounting framework,which isidentified in note 2and, specifically, with the principles and accounting criteria included in it.

Basis for Opinion

We conducted our audit in accordance with the regulation of the audit activity currently in force in Spain. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the FinancialStatements section of our report.

We are independent of the Companyin accordance with the ethical requirements, included those of independence, which are applicableto our audit of the financial statements in Spainas obliged bythe regulation of the audit activity in Spain. In this way,we have not rendered services different to the audit of the financial statements neither other situations nor circumstances have happened that, according to those established in the mentioned regulation, have affected to the necessary independence in a way that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most relevant audit matters

The most relevant audit matters are those matters that, in ourprofessional judgment, were considered asmost significantrisks of material misstatement in our audit of the financial statements for the current period. These risks have been addressed in thecontext of our audit of the financial statements as a wholeand in forming our opinion thereon, and donot provide a separate opinion on those risks.

We have determined that the issuesdescribed beloware the most relevant audit matters which we have to disclose in our report.

Progress of revenue in services rendered

As explained in the attachednotes to the financial statements4 h) and 9, the Company estimatesthe value of the works performed at the end of the fiscal year but unbilledon that date and recordsthe corresponding amount of assets as trade debtors for services rendered.

On our side, the procedures applied in our audit have consisted of an analysis of thecriteria employedin the calculations of the amount of "Unbilled revenue", checking through selective samples of the data used in those calculations, checking their arithmetic integrity and comparison with the accounting balance.

Other information: Management report

Other information comprises exclusively the management report for the financial year ended on 31 March 2022, whose preparation is a responsibility of the Directors of the Company and is not a part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility on the management report, in accordance with the compulsory legal regulation of the audit activity, consists in:

a) Check only that the statemen of non-financial information, has been provided in the form established by the applicable regulation and, otherwise, to report on it

b) Assessing and disclosing the concordance of the rest of information included in the management report with the financial statements, from the knowledge about the Company obtained when performing the audit of the mentioned financial statements andalsoto assess and disclose whether the content and disclosuresof this part of the management report are in conformity with the applicable regulation. If, based on the work that we have performed, we conclude that there exist material misstatements, we are obliged to inform of it.

Based on our work performed, as described above, we have checked that the informationmentioned in the paragraph a) above is disclosed ad established in the applicable regulation and the resto of the informationthat is contained in the management report is in accordance with the information of the financial statementsfor the year ended on 31 March 2022and its content and disclosures are in conformity with the applicable regulation.

RESPONSIBILITIES OF THE DIRECTORS OF THE COMPANY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of the attached financial statements in order to present the true and fair view of the equity and financial position and the financial performance of the Company in conformity with the legal framework of financial information applicable to the Company in Spain, which is identified in note 2, and for such internal control as the Directors determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or haveno realistic alternative but to doso.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the legal regulation of the audit activity in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the risks communicated to the Directors, we determine those risks that were of most significance in the audit of the financial statements of the current period and are therefore considered the most significant risks.

We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the risks.

BNFIX AUDIT AUDITORES, S.L.P.
Registered in ROAC No. S0294

José María Hinojal Sánchez
Partner – Auditor of accounts
ROAC number 16660

11 May 2021

Balance Sheet

(EUR)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non current assets		**790.553**	873.791
Fixed assets		**542.412**	546.371
Property, plant and equipment	(5)	**542.412**	546.371
Non current, investments in group's companies		**5.500**	5.500
Equity instruments	(8)	**5.500**	5.500
Deferred tax assets	(14)	**242.641**	321.920
Current assets		**18.923.497**	15.030.344
Trade receivables and other debtors		**14.321.312**	11.091.491
Trade receivables	(9)	**9.945.914**	9.346.939
Trade receivables, group's companies	(10)	**4.155.518**	1.640.132
Other debtors		**219.880**	104.420
Short term investments		**65.663**	65.663
Other financial assets	(6)	**65.663**	65.663
Accruals		**53.519**	18.161
Prepaid expenses	(11)	**53.519**	18.161
Cash and equivalents		**4.483.003**	3.855.029
Cash and bank balances	(12)	**4.483.003**	3.855.029
TOTAL ASSETS		**19.714.050**	15.904.135
EQUITY AND LIABILITIES			
Net equity		**8.373.823**	6.195.129
Shareholders' funds	(13)	**8.373.823**	6.195.129
Share capital		**60.200**	60.200
Reserves		**12.040**	123.494
Prior years' earnings		**6.122.889**	4.547.838
Income for the year		**2.178.694**	1.463.597
Current liabilities		**11.340.227**	9.709.006
Trade payables and other creditors		**10.866.517**	8.749.515
Suppliers		**135.293**	---
Suppliers, group's companies	(10)	**7.037.251**	5.878.902
Other creditors		**1.361.206**	780.441
Employees (salaries pending)		**646.682**	548.608
Other debts with public entities	(14)	**1.686.085**	1.541.564
Short term accruals		**473.710**	959.491
TOTAL EQUITY AND LIABILITIES		**19.714.050**	15.904.135

Statement of Profit and Loss

(EUR)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
OPERATIONS			
Net revenue from operations		**45.636.800**	42.119.526
Services rendered	(15)	**45.636.800**	42.119.526
Procurements		**(14.406.545)**	(11.817.974)
Works performed by other companies	(16)	**(14.406.545)**	(11.817.974)
Employee benefit expenses	(17)	**(25.289.323)**	(25.825.706)
Salaries and others		**(19.575.446)**	(20.129.440)
Social charges		**(5.713.877)**	(5.696.266)
Other operative expenses		**(3.136.298)**	(2.424.006)
External services	(18)	**(3.136.298)**	(2.524.334)
Losses and impairment for commercial transactions	(9)	**-**	100.328
Depreciation of fixed assets	(5)	**(244.253)**	(200.294)
Impairment and income from disposals of fixed assets	(5)	**-**	-
Impairment and income from disposals of fixed assets	(5)	**9.286**	(90.599)
Operative income		**2.569.667**	1.760.947
Exchange differences	(20)	**(79.002)**	(98.135)
Financial income		**(79.002)**	(98.135)
INCOME BEFORE TAXES		**2.490.665**	1.662.812
Corporate tax	(14)	**(311.971)**	(199.215)
Income for the year from operations		**2.178.694**	1.463.597
INCOME FOR THE YEAR		**2.178.694**	1.463.597

Statement of changes in Equity

(EUR)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
STATEMENT OF INCOME RECOGNISED			
Income for the year		**2.178.694**	1.463.597
Other income		**-**	158.654
Total income directly recognised in equity		**-**	158.654
Total transfer to the profit and loss account		**-**	-
Total income recognised		**2.178.694**	1.622.251

STATEMENT OF TOTAL CHANGES IN EQUITY	Share capital	Reserves	Income from previous years	Income for the year	Total
Final balance as at March 31, 2020	60.200	123.494	3.126.135	1.480.729	4.790.558
Correction of misstatements (note 2.d)	-	-	(217.680)	-	(217.680)
Adjusted balances, initial as at April 1, 2020	60.200	123.494	2.908.455	1.480.729	4.572.878
Total income recognised	-	-	-	1.622.251	1.622.251
Other variations in equity	-	-	1.480.729	(1.480.729)	-
Final balance as at March 31, 2021	**60.200**	**123.494**	**4.389.184**	**1.622.251**	**6.195.129**
Adjusted balances, initial as at April 1, 2021	**60.200**	**123.494**	**4.389.184**	**1.622.251**	**6.195.129**
Total income recognised	**-**	**(111.454)**	**111.454**	**2.178.694**	**2.178.694**
Other variations in equity	**-**	**-**	**1.622.251**	**(1.622.251)**	**-**
Final balance as at March 31, 2022	**60.200**	**12.040**	**6.122.889**	**2.178.694**	**8.373.823**

Cash flow statement

	Note	Year ended March 31, 2022	Year ended March 31, 2021
			(EUR)
CASH FLOWS FROM OPERATING ACTIVITIES		**947.899**	(608.968)
Income before taxes		**2.490.665**	1.662.812
Adjustments on the income for:		**323.884**	298.429
Depreciation of fixed assets	(5)	**244.253**	200.294
Exchange differences		**79.631**	98.135
Working capital changes		**(1.512.732)**	(2.476.830)
Trade receivables and other debtors		**(3.229.821)**	4.128.638
Other current assets		**(35.358)**	559.285
Trade payables and other creditors		**2.238.228**	(6.827.808)
Other short term liabilities		**(485.781)**	(336.945)
Other cash flows from operating activities		**(353.918)**	(93.379)
Collections (Payments) for income tax	(14)	**(353.918)**	(93.379)
CASH FLOWS FROM INVESTING ACTIVITIES		**(240.294)**	(189.188)
Payments for investments		**(240.294)**	(189.188)
Fixed assets	(5)	**(240.294)**	(189.188)
Effect from exchange differences	(20)	**(79.631)**	(98.135)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**627.974**	(896.291)
Cash and cash equivalents at beginning of the year		**3.855.029**	4.751.320
Cash and cash equivalents at the end of the year	(12)	**4.483.003**	3.855.029

Notes forming part of the Financial Statements

1. GENERAL INFORMATION ABOUT THE COMPANY AND NATURE OF ITS ACTIVITY.

a) Incorporation and company's name

On 30 May 2003, TATA CONSULTANCY SERVICES DE ESPAÑA, S.A.U. was incorporated, whose social address is situated at Santa Leonor 65, F building, 28037 in Madrid.

b) Social purpose

According to the by laws the social purpose is, advisory and consultancy services, implementation and maintenance services related to information systems and information technologies.

The Company's activity is focused on rendering Information Technology and IT enabled Services.

c) Group companies

The company is integrated in the TCS group as disclosed in note 13, the group's company TATA CONSULTANCY SERVICES NETHERLANDS, B.V., whose social address situated at Symphony Towers 20th floor, Gustav Malherplein 85-91, Amsterdam (The Netherlands) is the direct parent company and the sole shareholder. The last parent company is the company TATA CONSULTANCY SERVICES LIMITED, with social address at 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021 (India).

d) Consolidated financial statements

The directors of the last parent company issue the consolidated financial statements as of 31 March 2022, which will be presented before the authority of India.

The company and its subsidiary TATA CONSULTANCY SERVICES PORTUGAL, UNIPESSOAL LIMITADA form a group of companies as established in the article 42 of the Spanish Commercial Code. The Directors issue consolidated financial statements for the Group that will be presented before the House of Companies in Madrid.

2. BASIS OF PRESENTATION

a) True and fair view

The financial statements have been prepared from the accounting records of the Company according to the current commercial law and the rules established in the General Accounting Plan, in order to present the true and fair view of the equity and financial position as of 31 March 2022 and the results of its operations, changes in net equity and cash flows for the year then ended.

The financial statements as of 31 March 2022 have not been submitted to the approval of the sole shareholder; nevertheless, the Directors hope that they will be approved without changes.

b) Functional and presentation currency

The financial statements are presented in euros, rounded to the nearest unit, which is the functional and presentation currency for the Company.

c) Changes in valuation standards

At the beginning of 2021, the new valuation standards of the General Accounting Plan related to financial instruments and revenue recognition have been entered into force. The effects of these changes on the balance sheet are as follows:

- Financial instruments

  Financial assets that were classified in the previous year as "loans and receivables" have been reclassified as "financial assets at amortized cost" This change that has not led to modifications in their valuation.

  Financial liabilities that were classified in the previous year as "debts and payable", have been reclassified as "financial liabilities at amortized cost. This change that has not led to modifications in their valuation.

- Revenue recognition

  Revenue is recognized by the normal development of the activity at the time of the transfer of control of assets to clients or as the company fulfils the obligations committed in the contract, so the change in the valuation standard has not involved changes to the value of assets or liabilities

d) Correction of misstatements

The comparative figures of "other creditors" that is included in the "current liabilities" entry of the balance sheet, is higher by an amount of 217,680 euros than that presented in the approved annual accounts of the previous year, due to certain expenses incurred in the year ended 31 March 2020. On the other hand, the "Prior years' earnings" entry has been reduced by the same amount, not affecting this circumstance to the comparative figures of the profit and loss account.

e) Comparative figures

The financial statements present, for comparative purposes, with each entry of the balance sheet, the statement of profit and loss, the statement of changes in equity, the cash flow statement and the notes, in addition to the figures for the year ended on 31 March 2022 (that are pending to be approved by the Sole Shareholder), those for the prior year which were included in the financial statements for the year ended on 31 March 2021 which have been approved by the sole shareholder.

f) Significant valuation issues and use of estimates and relevant judgements in applying the accounting policies.

Preparing the financial statements require applying relevant accounting estimates and making judgments, forecasts and hypotheses in the process of applying the accounting policies of the Company. In this process, the aspects that imply a major level of judgment, complexity or where hypotheses and forecasts are significant for preparing the financial statements are mainly, the recognition of turnover and expense by reference to the stage of completion. This method is based on the estimations of the stage of completion of the projects. Based on the method to establish the completion of the projects, the forecasts include the cost incurred in executing the projects.

Impact of COVID-19

The continuing COVID-19 pandemic emerged as a global challenge, creating continuous disruption across the world. Governments and organizations across the world are continuing to support through significant actions, to address the challenges posed by this situation.

During this year, while the Company has continued to leverage its strong portfolio of services to partner with its diversified customers, the impact on revenue streams could come from, customers postponing their discretionary spend due to change in priorities, coupled with inability of the customers to continue their business.

The Company throughout the year has restarted activities such as travels, events and internal meetings, keeping safe working environments and regular connect with the employees to ensure their health and safety.

The Company uses its Secure Border less Work Space TM (SBWSTM) model, which allowed its employees to work from home, with support from minimal associates working from office, to ensure business support to all its customers. The Company was able to seamlessly adapt and extend this model to prospect for new business, sell, contract and execute programs with strong cybersecurity framework, project management practices and systems needed to ensure that work allocation, monitoring and reporting continued as normal.

Although the estimations made by the Directors have been valued according to the best information available at the end of the fiscal year, it is possible that future events would oblige a change of the estimates in the future years. The effect on the financial statements of those changes that imply adjustments in the future, would be recorded prospectively.

g) Addition of entries

Some entries of the balance sheet, the statement of profit and loss, the statement of changes in equity, the cash flow statement and the notes are disclosed or added in order to enable easy comprehension, although when material, the information has been disaggregated in the notes.

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3. DISTRIBUTION OF INCOME

The Directors will propose to the sole shareholder the next distribution of income:

(EUR)

	Year ended March 31, 2022
Basis of distribution	
Income for the year	**2,178,694**
	2,178,694
Distribution	
Prior's years earnings	**2,178,694**
	2,178,694

4. VALUATION AND RECORDING STANDARDS

a) Intangible assets

Assets included as intangible are software that is initially valued at cost. Costs of maintenance are expensed when incurred. As at 31 March 2022 and 2021, all of them are fully amortised.

b) Tangible assets

Assets included as tangible assets are recorded at cost of acquisition. Tangible assets are presented in the balance sheet at cost less accumulated amortisation.

Depreciation is calculated on a straight-basis method, during their estimated useful lives, in such a way that at the end of it, the net value is zero. Percentages of amortisation annually applied are:

Furniture and fixtures	20.0%
Computers	25.0%

The company reviews the residual value, useful life and method of amortisation of property, plant and equipment at the end of each year. Modifications in established criteria are recognised as change of estimations.

After the initial recognition of the asset, only those costs that increases the capacity, productivity or enhances the useful life are capitalised, writing-off those elements substituted. The daily maintenance costs are expensed when incurred.

The company evaluates periodically the possible existence of impairment in the value of tangible assets.

c) Operating leases

The company has the right of use for some assets under lease contracts. Given that those contracts do not transfer to the Company substantially all the risk and benefits inherent to the property of the goods, those leases are classified as operating leases

Amounts paid for operating leases are recognised as expense on a straight-line basis during the term of the contract.

d) Financial instruments

i) ***Classifications and separation of financial instruments***

Financial instruments are classified initially as a financial asset or a financial liability, as appropriate, according to the arrangement and definition of financial asset or financial liability.

In order to be valued, financial instruments are classified as financial assets or liabilities at fair value through profit or loss, financial assets at amortised cost and financial assets at cost. The classification in those categories is made initially according to the instrument and the Management intention.

Financial instruments are recognised when the company is obliged by a contract or arrangement.

Transactions of purchase or sale of financial assets documented in contracts in which reciprocal obligations must be carried out in an established time and cannot be settled by difference are recognised at the date of contract or settlement.

ii) ***Non-compensation principle***

A financial asset and a financial liability are compensated only when the company has the right to compensate the recognised amounts and has the intention to settle the net amount or cancel the asset and the liability simultaneously.

iii) ***Financial assets at amortised cost***

Financial assets at amortised cost are trade and non-trade credits with fixed collections or fixable that are not traded in an active market and different from other financial assets. These assets are initially recognised at fair value, including transactions costs and are valued after initial measurement at amortised cost using the effective interest rate method. Nevertheless, financial assets that does not have an interest rate or from which the maturity is less than a year and the effects are not material, are valued at face value.

iv) ***Rental Deposits***

Rental Deposits given are initially valued as financial instruments. After the initial valuation, given that the effect is not material, these are valued at face value.

v) ***Interests***

Interests are recognised using the effective interest rate method, which is the rate that equals the book value of the financial instrument with the cash flows estimated in the life of the instrument, from their contract conditions and with no loss for future credit risk.

vi) ***Derecognition of financial assets***

The company derecognises a financial asset or a part of it, when it gets expired or when the rights on the cash flows of the financial asset are transferred, being necessary that risks, and rewards of ownership are substantially transferred.

When the financial asset is derecognised, the difference between the amount received net of transactions costs and the book value of the financial asset is the resultant profit or loss which arises upon de-recognition of the financial asset is included in the income for the year.

The company applies the average price in order to evaluate and derecognise the cost of equity instruments or debt that are included in a portfolio and have the same rights.

vii) ***Impairment of financial assets***

A financial asset or a group of financial assets is impaired and a loss for impairment arises, if there is objective evidence of the impairment as a consequence of the events that have occurred after the initial recognition of the asset and which affects the estimated future cash flows from the asset or group of financial assets, that can be reliably estimated.

For financial assets at amortised cost, it is considered that there exists impairment when an event that causes reduction or delay in the future estimated cash flows, motivated by an insolvency of the debtor.

The amount of the impairment is the difference between the account value of the financial asset and the current value of the cash flows estimated, excluding future losses for credit risk, using the effective interest rate. For those financial assets with variable interest rate, the interest rate on the date of valuation is used according to the arrangement.

Losses for impairment are recognised in the income statement and it is reversible in future years if the decrease can be objectively related to a future event. Nevertheless, the reversal of the loss has a limit in the amortised cost of the asset with no loss for impairment.

viii) ***Financial liabilities at amortised cost.***

Financial liabilities at amortised cost, including trade creditors and other payable, are initially recognised at fair value, less, in case costs of transaction which are directly attributable to issuing them. After initial recognition, financial liabilities at amortised cost are valued using the effective interest rate method. Nevertheless, financial liabilities that do not have an established interest rate and the maturity is less than a year and the effect is not material are valued at face value.

ix) ***Derecognition of financial liabilities***

The Company derecognizes a financial liability or a part of it when it has accomplished the obligation included in the liability or it is legally freed from the responsibility included in the liability, from a trial or agreement with the creditor.

e) Cash and equivalents

Cash and equivalents include cash in hand and disposable bank deposits in credit entities. Other investments of great liquidity are also included if they are easily converted in fixed amounts of cash and the risk of change value is not material. For these reasons, investments with a maturity of less than three months from acquisition are included.

f) Accruals

Turnover and expense invoiced that have not been carried out at the end of the year is recorded as a current liability or asset as short-term accruals.

g) Turnover and expenses

Turnover and expenses are accrued independent of the time / moment of cash flows from them. Nevertheless, the company only recognises profits realisable at the end of the year, but risks and losses are recognised when known.

h) Revenue from services rendered

- The Company's contracts with customers could include commitments to transfer multiple products and services to a customer. The Company assesses the commitment related to the product/services in a contract and identifies distinct performance obligation in the contract. Which 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 can 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 form the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and it is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period. The Company considers indicator 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.
- Revenues for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of the completion of the performance obligation.

i) Employee benefit expenses

The company recognises the cost of the cash bonuses to employees when there is an obligation, legal or constructive, because of past events and can be reliably estimated.

Employee termination benefits are recognised when there is a formal plan and there is a valid expectation in the affected staff that the termination is going to be carried out, as the plan has been started or the main characteristics have been informed.

j) Corporate tax

Expense or turnover for corporate tax includes current and deferred income tax.

Current income tax is the amount to be paid or collected for the corporate tax from the taxable base for the year. Assets or liabilities for the current income tax are valued for the amounts that are expected to be paid or recovered from the tax authority, using the current law and tax rates or those approved and pending to be published at the end of the year.

Income tax, current or deferred is recognised in the statement of profit and loss unless it arises from a transaction or event that is recognised in the same year or in other years and is recognised directly in net equity or a business combination.

Deductible temporary differences are recognised if it is likely with high probability that there will exist positive taxable bases in the future, enough for their compensation.

Deferred tax assets are valued according to the tax rates that will be applied in the years when it is expected to compensate those assets with the law and rates currently applicable.

k) Classification of current and non-current assets and liabilities

Assets are classified in the balance sheet as current when it is expected to be recovered or is intended to be sold or consumed in the normal operating cycle, are kept mainly to trade, is expected to be sold in twelve month after the end of the year or is cash or cash equivalents, except in those cases when they cannot be exchanged or used to settle a liability, at least in the next twelve months after the end of the year, when they are classified as non-current.

Liabilities are classified in the balance sheet as current when it is expected to be settled in the normal operating cycle, are kept mainly to trade, and must be settled in the next twelve months or the company does not have the right to delay the cancellation of the liability during the next twelve months after the end of the year, presented as non-current in any other case.

Financial liabilities are classified in the balance sheet as current when it must be settled in the next twelve months after the end of the year although the initial maturity is for a period higher to twelve months and there exists an agreement for refinancing or restructuring payments in a term completed after the end of the year and before the annual accounts are issued. In any other circumstance, they are classified as non-current liabilities.

l) Transaction with related parties

Transactions carried out with related parties are recognised at fair value of the consideration to be given or received. The main transactions carried out during the year with related parties have been recorded with the criteria given below:

- Services rendered have been evaluated at cost of the work carried out plus a market margin.
- Cash balances for credits generate interests according to preferential market rates.

m) Foreign currency transactions

Those transactions in foreign currency are converted to the functional currency by applying the current exchange rates between the functional and the foreign currency at the date when the transactions are carried out. Nevertheless, the Company uses monthly exchange rates for those transactions carried out in that term.

Monetary assets and liabilities denominated in foreign currency have been converted to euros by applying the exchange rate at the end of the year and non-monetary assets valued at historic cost are converted applying the exchange rate when the transaction was carried out. Finally, conversion to euros of the non-monetary assets that are valued at fair value has been carried out by applying the exchange rate at the date when the valuation of the asset was made.

5. TANGIBLE ASSETS

a) Composition and movement as of 31 March 2022 in accounts included as tangible assets have been as follows:

(EUR)

	Balances as at March 31, 2021	Additions (Expense)	Disposals	Transfers	Balances as at March 31, 2022
Cost value					
Computers	**915.719**	**217.973**	**(191.161)**	**1.845**	**944.376**
Office equipment	**78.216**	**6.203**	**-**	**-**	**84.419**
Furniture and fixtures	**1.134.194**	**16.118**	**-**	**71.463**	**1.221.775**
Tangible assets in progress	**73.162**	**-**	**-**	**(73.308)**	**(146)**
	2.201.291	**240.294**	**(191.161)**	**-**	**2.250.424**
Cumulated amortisation					
Computers	**(672.483)**	**(140.299)**	**191.161**	**-**	**(621.621)**
Office equipment	**(12.438)**	**(16.407)**	**-**	**-**	**(28.845)**
Furniture and fixtures	**(969.999)**	**(87.547)**	**-**	**-**	**(1.057.546)**
	(1.654.920)	**(244.253)**	**191.161**	**-**	**(1.708.012)**
Net value					
Computers	**243.236**	**-**	**-**	**-**	**322.755**
Office equipment	**65.778**	**-**	**-**	**-**	**55.574**
Furniture and fixtures	**164.195**	**-**	**-**	**-**	**164.229**
Tangible assets in progress	**73.162**	**-**	**-**	**-**	**(146)**
Total	**546.371**	**-**	**-**	**-**	**542.412**

b) Composition and movement as of 31 March 2021 in accounts included as tangible assets have been as follows:

(EUR)

	Balances as at March 31, 2020	Additions (Expense)	Disposals	Transfers	Balances as at March 31, 2021
Cost value					
Computers	842.247	25.101	-	48.371	915.719
Office equipment	4.173	74.043	-	-	78.216
Furniture and fixtures	1.111.641	18.581	-	3.972	1.134.194
Tangible assets in progress	54.042	71.463	-	(52.343)	73.162
	2.012.103	189.188	-	-	2.201.291
Cumulated amortisation					
Computers	(547.286)	(125.197)	-	-	(672.483)
Office equipment	(834)	(11.604)	-	-	(12.438)
Furniture and fixtures	(906.506)	(63.493)	-	-	(969.999)
	(1.454.626)	(200.294)	-	-	(1.654.920)
Net value					
Computers	294.961	-	-	-	243.236
Office equipment	3.339	-	-	-	65.778
Furniture and fixtures	205.135	-	-	-	164.195
Tangible assets in progress	54.042	-	-	-	73.162
Total	557.477	-	-	-	546.371

c) There are no significant tangible assets fully amortised.

d) The Company has contracted insurance policies in order to cover the risk for the goods in tangible assets. The coverage of those policies is considered enough.

6. OPERATING LEASES

a) The Company has taken on lease from third parties office buildings and vehicles. The total leases expenses incurred during the year as of 31 March 2022 have amounted to 451.167 euros and in the prior year as of 31 March 2021 were 532.260 euros.

b) The main lease contract included in the a) above is for lease for the facilities that the Company occupies in Santa Leonor, 65, F Building in Madrid, where is also the social address, which has incurred rents and expenses for an amount of 562.159 euros in this year and 565.047 euros in the prior year. This contract ends in April 2024 and the company has made a deposit of 65.663 euros as a rental deposit.

c) Amount of lease commitments at the end of the year is as follows:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Amounts to pay		
Less than 1 year	**472.320**	502.323
Between 1 and 5 years	**501.621**	974.236
More than 5 years	**-**	-
Total	**973.941**	1.476.559

d) The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as delivery centres / sales offices are long term in nature and no changes in terms of those leases are expected.

7. FINANCIAL INSTRUMENTS

a) The classification of financial assets by categories and classes, without cash and equivalents nor equity instruments in group's companies is as follows:

(EUR)

	Balance As at March 31, 2022	Balance As at March 31, 2021
Short term financial assets		
Financials assets at amortised cost		
Trade receivables and other debtors	**14.249.753**	11.091.491
Other financial assets	**65.663**	65.663
Total	**14.315.416**	11.157.154

b) The classification of financial liabilities by categories and classes is as follows:

(EUR)

	Balance As at March 31, 2022	Balance As at March 31, 2021
Short term financial liabilities		
Financial liabilities at amortised cost		
Trade payables and other creditors	**9.180.432**	7.207.951
Total	**9.180.432**	7.207.951

c) Nature and level of risk from financial instruments

Management of risk is controlled by the company according to the policies approved by the Directors:

i. *Market risk*

There are no financial investments made by the company. Hence there are no market risks in respect of financial investments.

ii. *Credit risk*

The Company has a concentrated credit risk in few clients outside the group, being mainly multinational companies. The Company has policies to assess that the revenue is generated from the clients having a clean track record of payments. The Company has policies to limit the amount of credit risk with any customer.

Impairment for credit risk from clients' insolvencies implies an elevated level of judgment by the Management and review of individual balances based on the credit quality of the clients, current trends and historical analysis of the insolvencies at an aggregated level. No impairments for credit risk are forecasted.

iii. *Liquidity risk*

The company has a prudent management of the liquidity risk, based in holding adequate cash in order to meet its payment commitments.

No financial instruments are carried at fair value. Financial instruments carried at amortised cost as of 31 March 2022 are 18.798.419 euros and were 15.012.183 euros as of 31 March 2021.

Financial assets of 4.483.003 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of 14.249.753 euros forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance for doubtful debts. In addition to the historical pattern of doubtful debts credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. The Company closely monitors its customers who are going through financial stress and assesses suitable actions on case to case basis. Similar assessment is done in respect of unbilled receivables while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of 8.048 euros is considered adequate.

iv. *Foreign currency exchange risk*

The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

v. *Interest rate risk*

The interest rate risk for the Company arises from the negative rates charged to cash deposited in credit institutions. A rate variation of 1% would have a maximum impact on the income before taxes of approximately 40.000 euros.

vi. *Price risk*

There are no financial investments made by the company. Hence there are no price risks in respect of financial investments.

8. EQUITY INSTRUMENTS FROM GROUP'S COMPANIES

a) The balance of equity instruments in group companies are shares of TATA CONSULTANCY SERVICES PORTUGAL UNIPESSOAL LIMITADA, owning the 100% of its share capital.

b) The social address of that company is Avenida José Gomes Ferreira 15, 7º-U, Miraflores - Algés (Portugal) and its activities are in consultancy of information technologies.

c) The financial information of it is as follows:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Net equity		
Share capital	**5.500**	5.500
Reserves	**535.453**	(5.894)
Income for the year	**1.118.631**	541.347
Total	**1.659.584**	540.953

d) That company is not listed in stock exchange and during the years as of 31 March 2022 and 2021 has not paid dividends.

9. TRADE RECEIVABLES

a) Detail of the balance is as follows:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Clients		
For services rendered	**12.463.447**	9.987.457
Unbilled revenue	**1.637.985**	999.614
Total	**14.101.432**	10.987.071

b) During the year no movement of credit risk impairment has arisen. During the prior year a profit for cancellation of credit risk impairment was recorded for 100.328 Euros.

10. BALANCES AND TRANSACTIONS WITH GROUP'S COMPANIES

a) Detail of debtor balances and revenues for services rendered to group's companies is as follows:

(EUR)

	Assets		Turnover for services	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Debtors				
Jaguar Land Rover España, S.L.	**-**	12.934	**-**	34.376
Tata Consultancy Services America	**(15)**	(14)	**-**	-
Tata Consultancy Services Belgium, N.V./ S.A.	**503.297**	33.550	**1.540.578**	239.662
Tata Consultancy Services Deutschland, GmbH	**241.735**	71.348	**736.532**	215.376
Tata Consultancy Services Do Brasil Ltda	**-**	1 .5 3 0	**-**	-
Tata Consultancy Services France S.A.	**48.568**	28.735	**731.341**	192.030
Tata Consultancy Services Luxembourg S.A.	**(71.459)**	(74.193)	**-**	(39.027)
Tata Consultancy Services Italia SRL	**445**	11.600	**-**	42.500
Tata Consultancy Services Netherlands BV	**399.924**	66.540	**1.141.787**	335.511
Tata Consultancy Services Osterreich GmbH	**5.697**	8.107	**-**	-
Tata Consultancy Services Portugal U. Lda.	**28.558**	25.252	**-**	-
Tata Consultancy Services Sverige AB	**572.028**	200.708	**4.455.861**	1.391.880
Tata Consultancy Services Switzerland, Ltd.	**229.688**	88.741	**1.891.351**	1.433.384
Tata Consultancy Services, Limited	**2.197.052**	1.233.316	**5.823.232**	2.734.894
	4.155.518	1.708.154	**16.320.681**	6.580.586

b) The detail of credit balances and expenses for services rendered by group's companies is as follows:

(EUR)

	Liabilities		Services received	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Creditors				
Tata America International Corporation	**-**	1.854	**799**	1.260
TCS Asia Pacific Pte, Ltd.	**-**	10.941	**-**	3.353
TCS Belgium, S.A.	**18.599**	-	**1.595**	11.767
TCS Deutschland, GmbH	**13.426**	15.268	**(202.904)**	(61.856)
TCS Do Brasil , Ltda.	**-**	76.878	**1.530**	-
TCS France, S.A.	**68.790**	22.738	**27.608**	45.362
TCS Italia, SRL	**-**	24.749	**154.214**	179.043
TCS Luxcembourg, S.A.	**-**	-	**(2.406)**	3
TCS México, S.A. de C.V.	**67.384**	45.861	**366.812**	667.048
TCS Netherlands, BV	**32.288**	31.588	**18.018**	66.151
TCS Osterreich GmbH	**-**	-	**(14.762)**	(14.597)
TCS Portugal U., Lda.	**1.488**	3.332	**(2.654)**	(4.859)
TCS Sverige AB	**10.158**	14.483	**7.869**	17.521
TCS Switzerland Ltd	**50.205**	54.381	**113.663**	200.383
TCS Limited	**6.055.177**	5.316.249	**8.446.984**	10.186.361
Titan Company Limited	**-**	-	**-**	(520)
	6.317.515	5.618.322	**8.916.367**	11.296.420
Other creditors				
Tata Sons Limited	**-**	79.227	**216.295**	57.191
	6.317.515	5.697.549	**9.132.662**	11.353.611

11. PREPAID EXPENSES

a) Detail of the balance and movement is as follows:

(EUR)

Project expenses	**As at March 31, 2022**	**As at March 31, 2021**
Balance at the beginning of the year	**18.161**	577.446
Transfer to income for the year	**(18.161)**	(578)
Services TCS Limited	**-**	(576.868)
Other prepaid expenses	**53.513**	18.161
Total	**53.513**	18.161

12. CASH AND BANK BALANCES

a) Detail of the balance by categories is as follows:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Cash in credit entities		
Current accounts, Euro	**4.479.362**	3.851.576
Current accounts, USD	**3.641**	3.453
Total	**4.483.003**	3.855.029

13. SHAREHOLDERS' FUNDS

a) Share capital is represented by 60.200 shares with a face value of 1 euro each, fully subscribed and paid being the sole shareholder being the group's company TATA CONSULTANCY SERVICES NETHERLANDS, B.V.

b) Indirectly, all the share capital belongs to the company TATA CONSULTANCY SERVICES LIMITED in both years.

c) Detail of reserves is as follows:

(EUR)

	March 31, 2022	March 31, 2021
Reserves		
Legal Reserve	**12.040**	12.040
Other reserves	**-**	111.454
Total	**12.040**	123.494

d) The legal reserve has been created according to the Law of Capitalists Companies, establishing that in any case, an amount equal to 10 per cent of the profit in the year will be dedicated to it until it is, at least, 20 per cent of the share capital. This reserve is not distributable to the shareholders and it can only be used to compensate losses in case other reserves are not available for the same.

e) The balance of income from previous years are profits pending to be distributed according to the sole shareholder's decisions.

14. PUBLIC ENTITIES AND TAX POSITION.

a) Detail of balances is as follows:

(EUR)

	Non Current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Assets				
Deferred tax assets	**242.641**	321.920	**-**	-
	242.641	321.920	**-**	-
Liabilities				
Withholdings on personal tax	**-**	-	**272.705**	241.203
Added Value Tax	**-**	-	**739.223**	665.809
Social Security Entities	**-**	-	**674.157**	513.326
Current income tax liabilities	**-**	-	**71.559**	121.226
	-	-	**1.757.644**	1.541.564

b) The company has generated losses in prior years, hoping to be able to compensate the negative tax bases arisen with positive tax bases in future years. The tax rate used in calculating the applicable tax to the future company's operations is 25%. The tax credit from the negative tax bases amounts 2.348.256 euros and it was 2.601.228 euros at the end of the prior year, with a decrease of 252.972 euros and 553.268 euros in the prior year applied in the corporate tax for the year. The tax credit has not been recognised as the directors consider that currently, for prudent reasons, there is not a high probability for compensating with positive tax bases of future years.

c) Detail of negative bases pending to be compensated in the corporate tax is as follows:

Euro

End of the original year	
31/03/2013	4.024.331
31/03/2014	2.289.977
31/03/2015	2.493.129
31/03/2016	585.585
	9.393.022

d) The reconciliation between the net amount of revenues and expenses for the year and the taxable base is as follows:

(EUR)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance of revenues and expenses		
For the year	**2.178.694**	1.463.597
Corporate tax	**311.971**	199.215
Permanent differences	**14.524**	146.420
Temporary differences		
Depreciation non-deductible	**(16.273)**	(16.273)
Compensation of negative bases	**(1.241.027)**	(1.000.000)
Taxable base	**1.247.889**	792.959
Tax amount	**(311.972)**	(198.240)
Deductions for R&D	**79.278**	77.014
Withholdings and payments in advance	**304.253**	-
Net receivable (payable)	**71.559**	(121.226)

e) The reconciliation between the income before tax and the tax expense for income tax is as follows:

(EUR)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Income before taxes for the year	**2.490.665**	1.662.812
Income for corporate tax recognised in the statement of profit and loss		
Amount at tax general rate	**(622.666)**	(415.703)
Operating losses carry forwards	**310.257**	250.000
Other Permanent differences	**438**	(33.512)
	(311.971)	(199.215)

f) Detail and movements for deferred tax assets are as follows:

(EUR)

	As at March 31, 2021	Additions	Reduction	As at March 31, 2022
Deferred tax assets				
Deductions pending to apply	237.375	-	(77.565)	**159.810**
Other deferred tax assets	84.545	-	(1.714)	**82.831**
	321.920	-	(79.279)	**242.641**

Deductions pending to apply come from expenses in research and development incurred during the years 2015 to 2019.

g) Movements for the prior year are as follows:

(EUR)

	As at March 31, 2020	Additions	Reduction	As at March 31, 2021
Deferred tax assets				
Deductions pending to apply	315.900	-	(78.525)	237.375
Other deferred tax assets	45.172	39.373	-	84.545
	361.072	39.373	(78.525)	321.920

h) The company has open to be reviewed tax assessment for the years given below:

Tax issue	
Corporate tax	2021 to 2021
Value Added Tax	2013 to 2021
Withholdings on personal tax	2013 to 2021
Local tax	2013 to 2021

Consequently, among others, of different possible interpretations of the current tax law, additional tax liabilities could arise as a result of a tax audit. Nevertheless, the directors of the company consider that in that case those liabilities would not affect materially to the financial statements.

15. SERVICES RENDERED

a) Detail of the amount by geographical areas is as follows:

(EUR)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Area		
Europe	**42.512.193**	39.241.003
United Kingdom	**2.795.898**	2.343.262
Americas	**328.710**	535.161
Total	**45.636.801**	42.119.426

16. WORKS PERFORMED BY OTHER COMPANIES

a) The entire amount comes from works in consultancy subcontracted to other companies. Approximately, 63% of the balance in the year ended as at 31 March 2022 and 91% in the prior year is from acquisition of services from group's companies.

b) Detail of expense by geographical markets is as follows:

(EUR)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Area		
Spain	**5.491.708**	521.033
Rest of Europe	**100.242**	438.918
America	**367.611**	668.309
Asia Pacific	**8.446.984**	11.189.714
Total	**14.406.545**	12.817.974

17. PERSONNEL

a) The average staff during the years by categories is as follows:

	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Women	Men	Total	Women	Men	Total
Categories						
Managers	**1**	**-**	**1**	1	-	1
Technicians	**90**	**426**	**516**	87	422	509
Administrative	**8**	**9**	**17**	9	9	18
Total	**99**	**435**	**534**	97	431	528

b) Staff at the end of the year is as follows:

	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Women	Men	Total	Women	Men	Total
Categories						
Managers	**1**	**-**	**1**	1	-	1
Technicians	**97**	**456**	**553**	81	391	472
Administrative	**8**	**9**	**17**	9	9	18
Total	**106**	**465**	**571**	91	400	491

c) Staff includes 6 handicapped persons, with a level higher than 33%, hired as technicians in both financial years.

d) Detail of the balance of social charges in both years is as follows:

(EUR)

	As of March 31, 2022	As of March 31, 2021
Social charges		
Social Securiy charged to the company	**5.415.292**	5.419.268
Other social charges	**298.585**	276.998
Total	**5.713.877**	5.696.266

18. EXTERNAL SERVICES

a) Detail of the balances by concepts is as follows:

(EUR)

	As of March 31, 2022	As of March 31, 2021
External services		
Leases and maintenance of facilities	**683.083**	546.331
External consultants	**297.853**	340.542
Travel expenses	**173.804**	124.889
Communications	**189.359**	216.745
Other expenses	**1.792.199**	1.295.827
Total	**3.136.298**	2.524.334

19. BALANCES AND TRANSACTIONS IN FOREIGN CURRENCIES

Detail of balances and transactions performed in foreign currency different from euros is as follows:

	US Dollar		GB Pound		Other currencies	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Balance sheet						
Trade receivables and other debtors	**437.046**	232.960	**1.115.234**	310.570	**735.987**	130.251
Trade payables and other creditors	**60.764**	54.341	**75.283**	42.877	**59.261**	94.182
Cash equivalents	**3.641**	3.453	**-**	-	**-**	-
Statement of profit and loss						
Services rendered	**1.636.144**	1.751.206	**2.069.123**	1.381.643	**3.504.250**	1.828.636
Works performed by other companies	**20.525**	289.221	**-**	-	**88.878**	(1.235)
Other services	**234.443**	102.334	**282.998**	11.987	**234.701**	110.124

20. INFORMATION ON DEFERRED PAYMENTS TO SUPPLIERS. THIRD ADDITIONAL DISPOSITION “COMMITMENT TO INFORM” LAW 15/2010, 5 JULY

a) The detailed information to be presented related to payments delayed is as follows:

(EUR)

	March 31, 2022	March 31, 2021
Average period of payments to suppliers	**106 days**	98 days
Ratio of paid transactions	**71 days**	95 days
Ratio of payable transactions	**146 days**	115 days
Total payments carried out	**6.749.866 euros**	10.601.541 euros
Total payments pending	**5.971.634 euros**	5.016.092 euros

b) The excess in the average period of payments over the legal limit is explained because the payments are to those suppliers that are Group's Companies and therefore, the payment to them is carried out depending of the availability of cash in the Company. Therefore, average period of payments to third parties is approximately 40 days.

21. OTHER COMMITMENTS AND CONTINGENCIES

The company does not have bank guarantees neither the directors know other material contingencies different to those from the leases.

22. INFORMATION RELATED TO THE DIRECTORS AND OTHER RELATED PARTIES

a) In both years, the directors, three men in this year and three men in the prior year, have not received any remuneration for their functions in the company. Additionally, at the end of both years there were no balances pending with directors, neither the company has commitments for pensions or life insurances with old or current directors of the company.

b) Accomplishing the article 229 of the Spanish Law of Capitalistic Companies, the Directors settle that they do not have any situation of conflict of interests with the activities carried out by the Company and also they do not own significant stakes in other companies with the same, similar or complementary activity to the social purpose neither execute functions in other companies different from those belonging to the TCS group.

c) The top executive has received as salaries during the year ended on 31 March 2022 an amount of 201.828 euros and was 200.407 euros for the year ended on 31 March 2021.

23. ENVIRONMENTAL INFORMATION

At the end of the year, there are no significant assets dedicated to protection and improvement of the environment and no significant expenses of this nature have been incurred during the year. It is also estimated that no material contingency related to protection and improvement of environment exists, and hence it is not considered necessary to record any provisions in respect of risks and expenses for environmental reasons.

24. REMUNERATION TO THE AUDITORS

For the audit of the year ended as of 31 March 2022, the auditors have generated a fee of 7.350 euros, same amount as paid in the previous year.

(EUR)

	March 31, 2022	March 31, 2021
Fees		
Audit	**7.350**	7.350
Tax advising	**7.413**	10.223
	14.763	17.573

25. SUBSEQUENT EVENTSW

After the end of the year, no facts or circumstances have arisen that could affect materially to these financial statements.

The present financial statements included from pages 1 to 26 above have been issued by the Board of Directors in Madrid, on 02 May 2022.

Sapthagiri Chapalapalli	**Prithwis Chandra Ray**	**Pradeep Manohar Gaitonde**
President	Director	Director

TATA CONSULTANCY SERVICES PORTUGAL UNIPESSOAL, LDA.

FINANCIAL STATEMENTS

For the year ended
March 31, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

CONTENT	PAGE

MANAGEMENT REPORT

Introduction

In accordance with what is stated in the by-laws and in accordance with the applicable requirements of the Commercial Companies Code, the Management of TATA CONSULTANCY SERVICES PORTUGAL, UNIP.LDA submits the MANAGEMENT REPORT for the year 2021 for consideration in the General Meeting of the Company.

Company Performance

The company's activity improved satisfactorily in 2021 and despite the challenges, the company presents positive net results, which is an increase of 106,6% compared to the previous year, representing 16.8% of turnover.

The results obtained by the company in the current financial year were within the estimates made, as better described in chapter < Analysis of Economic and Financial position of the Company>.

We project the continuation of the company's growth on a sustainable basis, despite of taking into account the constant uncertainty of the markets' s evolution.

Economic and financial Company position analyses

The comparative situation of the various company indicators is shown in the following table:

(EUR)

	2019	2020	2021
Sales	2,946,285	3,820,212	**6,662,320**
Income before Tax	407,844	593,047	**1,224,665**
Net income	365,650	541,347	**1,118,631**
Current assets	2,645,895	3,551,301	**4.607.876**
Non-current Assets	6,644	9,569	**54.645**
TOTAL ASSETS	2,652,539	3,560,870	**4.662.522**
TOTAL EQUITY	(395)	540,953	**1.659.584**
TOTAL LIABILITIES	2,652,934	3,019,918	**3.002.938**
TOTAL LIABILITY AND EQUITY	2,652,539	3,560,870	**4.662.522**
Number of employees	13	11	**11**
Employee Expenses	986,961	891,802	**919.331**

The 2021 fiscal year was influenced by an increase of 74% in sales volume, from 3,820,212 € in 2020 to 6,662,320 € in the year to which this report concerns.

The net turnover increase led to the improvement in the operating and current results, with an increase of 631,618 € while compared with previous year.

In 2021, the company proved to be self-sufficient to meet its cash requirements and did not take recourse to Banks for financial operations.

The financial position of the company, which has improved significantly, from a situation of accumulated losses is presented in the following table:

Indicators

Indicator	2019	2020	2021
Financial autonomy	-0.01%	15.18%	**35,59%**
Solvency	-0.01%	17.90%	**55,27%**

The operations of the company will continue as at the present, the current assets exceed current liabilities, net equity has improved and 52% of liabilities Balance refer to Group companies. The company will be provided with all the necessary mechanisms to ensure the continuity of operations, the realization of its assets and the settlement of its liabilities, in the normal course of its operations.

Human resources

Regarding the employees, in 2021, the company maintained the same number of employees as in the previous year.

Market Conditions

As in the previous year, the price levels practiced by the Company in 2021 were maintained this year by the consideration to maintain the services quality, which will enable sustained growth for the coming years. The market for our services has been characterized as quite competitive. But despite the increase in competition, which is highly competitive in terms of prices, the quality of TATA CONSULTANCY SERVICES PORTUGAL, UNIP. LDA. services, together with the seriousness with which the company operates, has allowed us to continue to improve the trust and preference of our current customers.

Communication and Image

In the perspective of the increase in sales volume, during the year 2021 and, in order to increase the market share, TATA CONSULTANCY SERVICES PORTUGAL, UNIP.LDA benefits from an international corporate image.

Investments

Direct investment in 2021 was 36,998 Euros in IT equipment and advertising panels, 32,208 Euros and 4,790 Euros, respectively.

Relevant subsequent events

The year 2021 ended with strong signs of an economic recovery which is expected to continue in 2022 and is expected to slow down in subsequent years. However, regarding the pandemic situation, it is observed that the new variants and the constraints in vaccination of the populations remain real risks to the return to normality.

With Russia's recent offensive on Ukraine, high volatility in energy prices is expected, including the price of a barrel of Brent (a benchmark for Europe) which has reached historic high levels since 2008 and which strongly impacts the fuel market.

Prices are likely to rise, which entails some uncertainty for all activities, and a general increase in prices is expected in all sectors of the economy.

However, it is assessed that the pandemic or the war in Ukraine would not have any impact on the continuity of the Company as per current visibility. Hence the assumption of the continuity of operations as a going concern used in the preparation of these financial statements, remains appropriate.

Events occurring after the balance sheet date on conditions that existed at the balance sheet date have been are considered in the preparation of the financial statements.

Business Forecast

Management believes that the results obtained at all levels by the company reinforce its stability both in economic and financial terms and in terms of the current market share.

The Company's activity in the first months of the next fiscal year is expected to remain identical compared to the activity in 2021. However, we should mention that it may be affected in a more or less perceptible way, depending on the effect of the pandemic scenario in the world, in the national economy and in particular in the sectors of activity of our customers . This effect is currently impossible to estimate, due to the degree of uncertainty associated with the evolution of this exceptional situation.

Management believes that the company has adequate facilities to manage with the desirable evolution in turnover.

Proposal for profit appropriation

Management proposes that the net profit for 2021, in the amount of 1,043,094.93 Euros, should be transferred to the Retained Earnings account.

Final note

To the Companies and Entities that honored us with their preference, we thank the trust, shown, which was an important incentive and compensation for the efforts assumed by those who work in this Company.

To all the employees who contributed to the company's performance, with its professionalism and dedication, the Management expresses its gratitude.

Alfragide, 6th May 2022

The Management

STATUTORY AUDIT REPORT

(Translation of a report originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TATA Consultancy Services (Portugal), Unipessoal, Lda. (the Entity), which comprise the balance sheet as at 31 March 2022 (which shows total assets of Euro 4,662,522 and total shareholders' equity of Euro 1,659,584 including a net profit of Euro 1,118,631), the statement of income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of TATA Consultancy Services (Portugal), Unipessoal, Lda. as at 31 March 2022, and its financial performance and its cash flows for the year then ended, in accordance with generally accepted accounting principles in Portugal.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. In accordance with the law we are independent of the Entity and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for:

- the preparation of the financial statements, which present fairly the financial position, the financial performance and the cash flows of the Entity in accordance with the with generally accepted accounting principles in Portugal.
- the preparation of the Management' Report, in accordance with the applicable law and regulations;
- the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of appropriate accounting policies and criteria;
- the assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Entity's ability to continue its activities.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

Our responsibility also includes verifying that the information included in the Management' report is consistent with the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Management's report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our understanding that the Management's report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Management' report is consistent with the audited financial statements and, taking into account the knowledge and assessment about the Entity, no material misstatements were identified.

Lisbon, 6th May 2022

RSM & Associados- Sroc, Lda

Represented by Joaquim Patricio da Silva (ROC no 320)

TATA CONSULTANCY SERVICES (PORTUGAL), UNIPESSOAL, LDA.
BALANCE SHEET AS OF MARCH 31, 2022 AND 2021

(Translated from the Portuguese original – Note 25) (EUR)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets:			
Tangible fixed assets	6	**35.821**	4.873
Tangible fixed assets in progress		**12.910**	-
Other financial assets		**5.914**	4.697
		54.645	9.569
Current assets:			
Trade receivables	8	**1.811.992**	840.166
State and other public entities	15	**325.851**	7.282
Other receivables	8	**597.964**	156.687
Deferrals	10	**35.996**	14.490
Cash and bank deposits	4	**1.836.073**	2.532.676
		4.607.876	3.551.301
TOTAL ASSETS		**4.662.522**	3.560.870
QUOTAHOLDERS' EQUITY AND LIABILITIES			
Quotaholders' equity:			
Quota capital	11	**5.500**	5.500
Legal reserves	11	**17.574**	17.574
Other reserves	11	**-**	2.642.904
Retained earnings/(losses)		**517.879**	(2.666.372)
		540.953	(395)
Net profit/(loss) for the year		**1.118.631**	541.347
Total quotaholders' equity		**1.659.584**	540.953
Liabilities			
Non-current liabilities			
Provisions		**20.629**	-
Other payables	13	**13.333**	-
		33.962	-
Current liabilities			
Suppliers	14	**1.717.457**	2.465.015
State and other public entities	15	**103.227**	64.046
Other payables	13	**1.135.827**	468.412
Deferrals	10	**12.466**	22.445
		2.968.976	3.019.918
Total liabilities		**3.002.938**	3.019.918
TOTAL QUOTAHOLDERS' EQUITY AND LIABILITIES		**4.662.522**	3.560.870

The accompanying notes form an integral part of the balance sheet as of March 31, 2022

THE CERTIFIED ACCOUNTANT MANAGEMENT

STATEMENTS OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022 AND 2021

(Translated from the Portuguese original – Note 25) (EUR)

EARNINGS AND LOSSES	Note	Year ended March 31, 2022	Year ended March 31, 2021
Services rendered	17	**6.662.320**	3.820.212
Supplies and services	18	**(4.460.909)**	(2,289,720)
Payroll expenses	19	**(919.331)**	(891.802)
Provisions	20	**(20.608)**	-
Other operating income	21	**32.964**	1.391
Other operating expenses	22	**(63.721)**	(46.069)
Net profit/(loss) before depreciation, financial expenses and taxes		**1.230.715**	594.011
Amortization and depreciation	6	**(6.050)**	(963)
Operating profit (before financial expenses and income taxes)		**1.224.665**	593.047
NET PROFIT/(LOSS) BEFORE INCOME TAX		**1.224.665**	593.047
Corporate income tax for the year	7	**(106.034)**	(51.700)
NET PROFIT/(LOSS) FOR THE YEAR		**1.118.631**	541.347

The accompanying notes form an integral part of the statement of profit and loss by nature for the year ended March 31, 2022.

THE CERTIFIED ACCOUNTANT MANAGEMENT

Statements of Changes in Quotaholders' Equity for the Years Ended March 31, 2022 and 2021

(Translated from the Portuguese original – Note 25) (EUR)

	Note	Quota capital	Legal reserve	Other reserves	Retained earnings/(losses)	Net profit/(loss) for the year	Total
Balance as of March 31, 2020		5,500	17,574	2.642.904	(3.032.022)	365.650	(394)
Net profit for the year		-	-	-	-	541.347	541.347
Appropriation of 2020 results:							
Transfer to retained earnings/(losses)	11	-	-	-	365.650	(365.650)	-
Balance as of March 31, 2021		5,500	17,574	2,642,904	(2.666.372)	541.347	540.953
Net profit for the year		**-**	**-**	**-**	**-**	**1.118.631**	**1.118.631**
Transfer from Other reserves to retained earnings/(losses)				**(2.642.904)**	**2.642.904**		
Appropriation of 2021 results:							
Transfer to retained earnings/(losses)	11	**-**	**-**	**-**	**541.347**	**(541.347)**	**-**
Balance as of March 31, 2022		**5,500**	**17,574**	**-**	**517.879**	**1.118.631**	**1.659.584**

The accompanying notes form an integral part of the statement of changes in quotaholders' equity for the year ended March 31, 2022.

THE CERTIFIED ACCOUNTANT MANAGEMENT

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022 AND 2021

(Translated from the Portuguese original – Note 25) (EUR)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
OPERATING ACTIVITIES:			
Received from clients		**5.567.829**	4.675.801
Paid to suppliers		**(5.235.515)**	(2.281.637)
Paid to employees		**(644.090)**	(871.491)
Net cash from operations		**(311.776)**	1.522.672
Income tax (paid) / received		**(62.059)**	(24.527)
Other (payments) / receipts relating to operating activities		**(321.539)**	(130.016)
Net cash provided by operating activities (1)		**(695.375)**	1.368.130
INVESTING ACTIVITIES:			
Receipts relating to:			
Financial investments		**-**	2.308
		-	2.308
Payments relating to:			
Other financial assets		**(1.228)**	(1.457)
		(1.228)	(1.457)
Net cash used by investing activities (2)		**(1.228)**	851
Variation in cash and cash equivalents ([3] = [1] + [2]		**(696.603)**	1.368.981
Cash and cash equivalents at the beginning of the year	4	**2.532.676**	1.163.695
Cash and cash equivalents at the end of the year	4	**1.836.073**	2.532.676

The accompanying notes form an integral part of the statement of cash flows for the year ended March 31, 2022.

THE CERTIFIED ACCOUNTANT MANAGEMENT

(Translation of notes originally issued in Portuguese - Note 25)

1. INTRODUCTORY NOTE

TATA Consultancy Services (Portugal), Unipessoal, Lda. ("The Company"), has its head office in Miraflores, was founded on July 4, 2005 and its corporate object consists of IT consultancy services.

The Company is included in TATA Group (whose mother company has its head office in India), which includes several companies with head office in Europe and America, with which it has transactions related to the development of its operations (Note 16), so that its activity and results are influenced by decisions taken at group level.

These financial statements were approved by Management on May 6, 2022.

2. ACCOUNTING REFERENCE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been prepared in compliance with the requirements in force in Portugal in accordance with Decree-Law 158/2009, of 13 July and the conceptual structure, modified by Decree-Law 98/2015, of 2 June, interpretation standards and accounting and financial reporting standards ("NCRF"), contained in Notices 8254/2015, 8258/2015 and 8256/2015, which together make up the Portuguese Accounting Standards System ("Sistema de Normalização Contabilística" or "SNC"). These standards and interpretations are hereinafter referred to generally as "NCRF".

3. PRINCIPAL ACCOUNTING POLICIES

3.1. Bases of presentation

The accompanying financial statements were prepared on a going concern basis as from the Company's accounting records, in accordance with NCRF.

3.2. Tangible fixed assets

Tangible fixed assets are initially recorded at acquisition cost, which includes the purchase cost and any other direct expenses to put the assets in the location and conditions needed to operate in the intended manner and, when applicable, the initial estimates of dismantling and removing assets and restoration of the places of installation/operation of the assets that the Company expects to incur.

Depreciations are recognised after the asset is available for use, in a straight-line basis, according to its estimated useful life for each group of assets, as follows:

	Years
Administrative equipment	3 to 8
Tangible fixed assets	8 to 16

Useful life and the depreciation method are revised on an annual basis. The effect of any change is recognised prospectively in the statement of profit and loss.

Costs of maintenance and repair (subsequent expenditure) that are not likely to generate future economic benefits are recorded as expenses in the period they are incurred on.

The gain (or loss) on disposal or write-off of a plant and equipment is determined as the difference between the amount received in the transaction and the amount of the asset and is recognized in the period in which it occurs.

3.3. Income tax

Income tax for the year consists of current tax and deferred tax. Current tax and deferred tax are recognized in the statement of profit and loss, except when they are related with items recorded directly in equity. In such cases current and deferred tax are also recorded in equity.

Income tax for the period is calculated based on the Company's taxable results. The taxable income differs from the accounting profit or loss, as it excludes several costs and earnings that are deductible or taxable in other years.

Taxable income also excludes costs and earnings that will never be deductible or taxable, according to tax rules in force.

Deferred tax relates to the temporary differences between assets and liabilities for accounting and tax purposes.

Deferred tax liabilities are recorded for all taxable temporary differences.

Deferred tax assets are recorded for deductible temporary differences, only when there is reasonable expectation of sufficient future taxable income to use them. Temporary differences underlying deferred tax assets are reviewed at each balance sheet date in order to recognise or adjust them based on the current expectation of their future recovery.

Deferred tax assets and liabilities are calculated and assessed using the tax rates expected to be in force when the temporary differences reverse, based on tax rates (and tax legislation) that are formally or substantially issued at the reporting date.

The compensation between deferred tax assets and liabilities is only allowed when: (i) the Company has the legal right to do the compensation between this assets and liabilities for liquidating purposes; (ii) those assets and liabilities relate to income tax of the same fiscal authority; and (iii) the Company has the intention of compensating for liquidation purposes.

3.4. Financial assets and liabilities

Financial assets and liabilities are recorded in the balance sheet when the Company becomes part of the correspondent arrangements, as established by NCRF 27 – Financial Instruments.

Financial assets and liabilities at cost or at amortised cost

The financial assets and liabilities are measured at cost or at amortised cost net of accumulated impairment losses (in the case of financial assets) when:

- The maturity is defined; and
- They have a fix or determinate repayment; and
- They do not constitute or incorporate a derivative financial instrument.

The amortised cost is the amount at which a financial asset or financial liability is measured at initial recognition, less principal repayments and plus or minus a cumulative amortisation, using the effective interest method, of any difference between the original amount and the amount at the maturity date. The effective interest rate is the rate that discounts cash flows associated with the financial instrument net carrying amount.

Assets and liabilities at cost or at amortised cost net of accumulated impairment losses include, namely:

- Trade receivables;
- Other receivables;
- Suppliers;
- Other payables;
- Group companies.

Cash and cash equivalents

"Cash and cash equivalents" include cash, bank deposits and term deposits with maturity up to three months and that can be demanded immediately with insignificant risk of losses.

Trade receivables and other receivables

Trade receivables and other receivables are recorded at cost or amortised cost net of eventual impairment losses. Generally, the amortised cost of these assets doesn't differ from its nominal value.

Suppliers and other payables

Suppliers and other payables are recorded at cost or amortised cost.

Generally, the amortised cost of these liabilities doesn't differ from its nominal value.

Impairment of financial assets

Financial assets classified "at cost or at amortised cost" are tested for impairment at each reporting date. Such financial assets are impaired when there is objective evidence that, as a result of one or more events after their initial recognition, their estimated future cash flows are negatively affected.

For financial assets measured at amortised cost, the impairment loss recognised corresponds to the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the respective original effective interest rate.

For financial assets measured at cost, the impairment loss recognised corresponds to the difference between the asset's carrying amount and the best estimate of the fair value of the asset.

Impairment losses are recognized in the statement of profit and loss in the period in which they are determined.

Subsequently, if the amount of the impairment loss decreases and such reduction can be objectively related to an event that took place after the recognition of that loss, it is reversed through the statement of profit and loss. The reversal shall be done within the limits of the amount that would be recognized (amortised cost) if the loss had not been initially accounted for. Reversal of impairment losses are recognized in the statement of profit and loss.

Derecognition of financial assets and liabilities

The Company derecognizes the financial assets only when the contractual rights to receive the cash flows expire, or when the financial assets and the risks and rewards of its ownership are transferred to other entity. The Company derecognizes the financial assets transferred, even if some significant risks and rewards remain, when the transference of control occurs.

The Company derecognizes financial liabilities only when the corresponding obligation specified in the contract is either discharged, cancelled or expires.

3.5. Foreign currency balances and transactions

Transactions in foreign currency (different from functional currency) are recorded at the exchange rate of the transaction date. At each reporting date, the foreign currency monetary items are translated at the exchange rate of that date.

Exchange gains and losses arising from differences between the historical exchange rates and those prevailing at the date of collection, payment or at the reporting date are recorded in the statement of profit and loss for the period.

3.6. Provisions and contingent assets and liabilities

Provisions

Provisions are recognized when there is a present legal or implied obligation resulting from a past event, the resolution of which will probably require expending internal resources, the amount of which can be reasonably estimated.

The amount recorded in provisions is the present value of the best estimate at the reporting date, needed to settle the obligation. The estimate is determined based on risks and uncertainties related to the obligation. The amount of provisions is reviewed and adjusted at each reporting date so as to reflect the best estimate at that time.

Contingent liabilities

Contingent liabilities are not recorded in the financial statements, but are disclosed when the possibility of outflows of resources including economic benefits is not remote.

Contingent assets

Contingent assets are not recorded in the financial statements, but are disclosed when economic future inflows of resources are likely to occur.

3.7. Revenue

Revenue is measured at fair value of the compensation received or to be received. Revenue to be recorded is offset of the estimated discounts and other rebates.

Revenue provided by rendered services (projects) is recognised according to the stage of completion method of the transaction/service at the financial position date, subject to the following conditions:

- The amount of revenue can be reliably measured;
- It is probable that future economic benefits flow to the Company; and
- Incurred cost or costs to be incurred with transactions can be measured reliably.

3.8. Accruals basis

Costs and earnings are recorded in the period to which they relate, independently of the date they are paid or received. Costs and earnings for which the real value is not known are estimated.

Costs and earnings attributed to the current period and which expenses and revenues will occur in future periods as well as costs and earnings that have already occurred but that respect to future periods are recorded as assets or liabilities.

3.9. Leases

As of March 31, 2021 and 2020, the Company has long term lease contracts, which, due to their characteristics, according to NCRF 9 – Leases, taking into account the substance over form principle, are recognized in the financial statements as operational leases. Payments of operational leases are recorded as costs in a straight line basis during the period of the lease.

3.10. Critical judgments/estimates in applying the accounting standards

In the preparation of the financial statements' judgments, estimates and assumptions were made, that can affect the value of the assets and liabilities presented, as well as earnings and costs of the period.

These estimates are based on the best knowledge available at the time and on the actions planned, and are constantly revised based on the information available at the financial position date. However, situations can happen in subsequent periods which are not predictable at the time of the approval of the financial statements and thus, were not considered on those estimates. Changes in estimates that occur after the date of the financial statements will be corrected prospectively. For this reason and due to that uncertainty, real results can differ from the corresponding estimates.

The most significant estimates reflected in the financial statements refer to: (i) impairment analysis of receivables; (ii) revenue recognition of ongoing projects

3.11. Subsequent events

Events that occur after the balance sheet date that provide additional information on conditions that existed as of that date ("adjustable events") are reflected in the financial statements. Events that occur after the balance sheet date that provide information on conditions that exist after that date ("non-adjustable events"), if material, are disclosed in the notes to the financial statements.

4. CASH FLOWS

Cash and cash equivalents include cash and bank deposits immediately callable. Cash and cash equivalents as of March 31, 2022 and 2021, are detailed as follows:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Bank deposits immediately callable	**1.836.073**	2.532.676
Cash and equivalents	**1.836.073**	2.532.676

5. ACCOUNTING POLICIES, CHANGES IN ESTIMATES AND ERRORS

In the year ended as of March 31, 2022, there were no changes in accounting policies in relation to those used in the year ended as of March 31, 2021, presented for comparative purposes, nor were material errors relating to prior years identified.

6. TANGIBLE FIXED ASSETS

During the years ended March 31, 2022 and 2021, the movements in tangible fixed assets, as well as in the respective accumulated depreciations and impairment losses, were as follows:

(EUR)

Administrative equipment	As at March 31, 2022	As at March 31, 2021
Gross assets:		
Beginning balance	**60.428**	55.529
Increases	**32.208**	4.899
Ending balance	**92.636**	60.428
Accumulated depreciation and impairment losses:		
Beginning balance	**55.555**	54.592
Depreciation of the year	**5.950**	963
Ending balance	**61.505**	55.555
Net assets	**31.131**	4.873
Other tangible fixed assets		
Gross assets:		
Beginning balance	**-**	-
Increases	**4.790**	-
Ending balance	**4.790**	-
Accumulated depreciation and impairment losses:		
Beginning balance	**-**	-
Depreciation of the year	**100**	-
Ending balance	**100**	-
Net assets	**4.690**	-
Total Net assets	**35.821**	4.873

7. INCOME TAX

The Company is subject to corporate income tax, in accordance with article 87 of the Portuguese Corporate Income Tax Code ("IRC"), at the rate of 21%. This rate is increased up to a maximum of 1.5% of Municipal Surcharge.

For 2021, the nominal tax rate can vary between 22,5% and 29,5% depending on the determined taxable income, which will be taxable at the follow rates:

- IRC rate : 17% to the first 25.000 Euros;
- IRC rate: 21% over remaining taxable income;
- Municipal surcharge: 1,5% over taxable income;
- State surcharge: 3% over taxable income if 1,500,000 < taxable income <= 7,500,000 Euros, 5% over taxable income if 7,500,000 Euros < taxable income <= 35,000,000 Euros or 7% over taxable income if taxable income > 35,000,000 Euros.

In accordance with article 88 of the Portuguese Corporate Income Tax Code, the Company is also subject to autonomous taxation of certain expenses at the rates mentioned therein.

In accordance with applicable Portuguese legislation, income tax returns are subject to review and correction by the tax authorities for a period of four years (five years for social security) except where there are tax losses, tax benefits have been granted or there is litigation in progress where, depending on the circumstances, the period can be extended or suspended. Accordingly, the Company's tax returns for the years 2018 to 2021 are still subject to review. Management believes that possible corrections arising from inspections by the tax authorities of those tax returns will not have a significant impact on the financial statements of March 31, 2022 and 2021.

As of March 31, 2022 and 2021, there were no temporary differences between accountant and tax in order to create deferred taxes in the financial statements.

For the years ended March 31, 2022 and 2021, the tax rate reconciliation is as follows:

Reconciliation of the tax rate

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit / (Loss) before income tax	**1.224.665**	593.047
Nominal tax rate (<25,000 net income)	**17,00%**	17,00%
Nominal tax rate (>25,000 net income)	**21,00%**	21,00%
Municipal Tax	**1,50%**	1,40%
Expected income tax	**274.550**	131.843
Nominal tax rate	**22,42%**	22,23%
Profit / (Loss) before income tax	**1.224.665**	593.047
Permanent differences	**64.909**	18.619
Tax losses carried forward for which no deferred taxes were recorded	**(902.702)**	(428.166)
Profit for tax proposes	**386.872**	183.501
Income tax (<25,000)	**4.250**	4.250
Income tax (>25,000)	**75.993**	33.285
Income tax (municipal tax)	**19.344**	8.563
Autonomous taxation	**6.447**	5.602
Total income tax (note 15)	**106.034**	51.700
Effective tax rate	**8,66%**	8,72%

8. TRADE RECEIVABLES AND OTHER RECEIVABLES

As of March 31, 2022 and 2021, trade receivables and other receivables present the following composition:

(EUR)

	As at March 31, 2022			As at March 31, 2021		
	Gross Amount	Impairment Losses	Net Amount	Gross Amount	Impairment Losses	Net Amount
Current:						
Trade receivables	**1.824.435**	**(12.443)**	**1.811.992**	852.060	(11.894)	840.166
Other receivables	**597.964**	**-**	**597.964**	156.687	-	156.687
	2.422.399	**(12.443)**	**2.409.956**	1.008.747	(11.894)	996.853

As of March 31, 2022 and 2021, trade receivables include 1.498.506 Euros and 639.364 Euros, respectively, related with Group companies (Note 16).

For the years ended March 31, 2022 and 2021, movements occurred in impairment losses, were as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Beginning balance	**11.894**	12.570
Increase	**-**	-
Decrease	**-**	-
Effect of exchange rate adjustments	**549**	(676)
	12.443	11.894

As of March 31, 2022 and 2021, the variance occurred in this rubric includes 549 Euros and 676 Euros, respectively, due to foreign exchange actualization.

Other receivables

As of March 31, 2022 and 2021, this caption was as follows:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Accrued income:		
Unbilled services rendered	**582.537**	150.686
Other debtors	**15.427**	6.001
	597.964	156.687

As of March 31, 2022 and 2021, other receivables included 393.202 Euros and 145.216 Euros respectively, related with Group companies (Note 16).

9. ADVANCES TO SUPPLIERS

As of March 31, 2022, there were no advances to suppliers.

10. DEFERRALS

As of March 31, 2022 and 2021, these captions were detailed as follows:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Deferred assets:		
Supplies and services	**33.767**	12.828
Payroll expenses	**2.229**	1.662
	35.996	14.490
Deferred liabilities:		
Services rendered	**12.466**	22.445

As of March 31, 2022, and 2021, the deferred liabilities include 0 Euros and 6.078 Euros, respectively, related with Group companies (Note 16).

11. QUOTA CAPITAL AND RESERVES

As of March 31, 2022 and 2021, the Company's fully subscribed and paid up quota capital was made up of one quota with the nominal value of 5.500 Euros. As of those dates, quota capital was totally owned by TATA Consultancy Services España, S.A. (head office at Spain).

Legal reserve:

Portuguese legislation establishes that at least 5% of annual net profit must be appropriated to legal reserves until the reserve equals the statutory minimum requirement of 20% of quota capital. This reserve is not available for distribution, except in the case of liquidation of the Company, but may be used to absorb losses once other reserves and retained earnings have been exhausted. The balance of this item as at 31 March 2022 is 17,574 Euros.

Other reserves:

As approved at the General Shareholders' Meeting held on February 15, 2022, the total amount of 2,642,904 Euros was transferred to retained earnings.

Results application:

As approved at the General Shareholders' Meeting held on April 23, 2020, the results of the year ended on March 31, 2020, EUR 365.650 were transferred to Retained earnings/(losses).

As approved at the General Shareholders' Meeting held on April 23, 2021 the results of the year ended on March 31, 2021, EUR 541.347 were transferred to Retained earnings/(losses).

12. LEASES

Operating leases

As of March 31, 2022 and 2021, the Company has part of its operational lease contracts related to rented vehicles. The minimum non-cancellable lease payments as of March 31, 2022 and 2021, are as follows:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Until 1 year	**9.042**	6.725
Between 1 and 5 years	**-**	-
	9.042	6.725

13. OTHER PAYABLES

As of March 31, 2022 and 2021, the caption "Other payables" had the following composition:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Accrued costs:		
Employees	**137.250**	138.328
supplies and services Group (Note 16 (a)	**23.046**	12.052
Bonuses	**59.187**	57.650
Audit	**6.500**	6.283
Credits to be granted	**50.805**	547
Subcontracts	**711.133**	119.071
Others	**101.189**	74.161
Other creditors	**49.877**	50.673
Other creditors - Group (Note 16) (a)	**10.173**	9.647
	1.149.160	468.412

As of March 31, 2022 and 2021 other payables included 33.219 Euros and 21.699 Euros, respectively, related with Group companies (Note 16).

14. SUPPLIERS

As of March 31, 2022 and 2021, the caption "Suppliers" was as follows:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Suppliers, current account :		
Group companies (Note 16)	**1.507.031**	2.321.304
Other suppliers	**210.426**	143.711
	1.717.457	2.465.015

15. STATE AND OTHER PUBLIC ENTITIES

As of March 31, 2022 and 2021, the caption "State and other public entities" was as follows:

(EUR)

	As at March 31, 2022	As at March 31, 2021
Corporate income tax:		
Withholding taxes	**35.661**	25.302
Advances	**-**	-
Estimated tax (Note 7)	**(106.034)**	(51.700)
Personal income tax	**(14.944)**	(21.676)
Value Added Tax	**325.850**	7.282
Social Security Contributions	**(17.909)**	(15.972)
	222.624	(56.764)

16. RELATED PARTIES

Transactions with related parties

During the years ended March 31, 2022 and 2021 transactions with related parties were as follows:

(EUR)

	Year ended March 31, 2022		Year ended March 31, 2021	
	Services rendered (Note 17)	Supplies and services (Note 18)	Services rendered (Note 17)	Supplies and services (Note 18)
Tata America Internacional Corporation	**-**	**-**	-	92
Tata Consultancy Services, Limited	**1.512.852**	**937.602**	732.781	921.916
Tata Consultancy de España, S.A.	**-**	**3.306**	-	4.859
Tata Consultancy Services Netherlands B.V.	**1.979.816**	**1.751**	820.565	3.210
Tata Consultancy Services France SAS	**117.607**	**2.029**	50.411	3.375
Tata Consultancy Services Deutschland GmbH	**494.062**	**1.105**	62.287	1.533
Tata Consultancy Services Sweden	**796.994**	**429**	481.692	557
Tata Consultancy Services Belgium N.V./S.A.	**178.863**	**-**	-	-
Tata Consultancy Services Canada Inc.	**52.113**	**-**	-	-
Tata Consultancy Services Luxembourg SA	**125.490**	**-**	111.529	-
	5.257.797	**946.222**	2.259.265	935.542

Balances with related parties

As of March 31, 2022 and 2021, balances with related parties were as follows:

(EUR)

	As at March, 2022				
	Trade receivables (Note 8)	Other receivables (Note 8)	Other payables (Note 13)	Suppliers (Note 14)	Other payables (Note 13)
Tata Consultancy de España, S.A.	**3.332**	**-**	**727**	**27.831**	**-**
Tata Consultancy Services Netherlands B.V.	**405.277**	**205.639**	**439**	**23.269**	**-**
Tata Consultancy Services Deutschland GmbH	**93.578**	**57.359**	**282**	**11.322**	**-**
Tata Consultancy Services France SA	**9.200**	**6.513**	**487**	**19.456**	**-**
Tata Consultancy Services Luxembourg SA	**59.558**	**32.791**	**-**	**-**	**-**
Tata Consultancy Services Sweden	**67.071**	**-**	**33**	**4.421**	**-**
Tata America Internacional Corporation	**-**	**-**	**-**	**2.595**	**10.173**
Tata Consultancy Services Switzerland Ltd	**-**	**-**	**-**	**2.662**	**-**
Tata Consultancy Services Belgium N.V./S.A.	**14.299**	**7.264**	**-**	**-**	**-**
Tata Consultancy Services Canada Inc.	**41.854**	**11.510**	**-**	**-**	**-**
Tata Consultancy Services, Limited	**804.338**	**72.126**	**21.078**	**1.415.475**	**-**
	1.498.506	**393.202**	**23.046**	**1.507.031**	**10.173**

	As at March, 2021				
	Trade receivables (Note 8)	Other receivables (Note 8)	Other payables (Note 13)	Suppliers (Note 14)	Deferred Expenses and (Income) (Note 10)
Tata Consultancy de España, S.A.	3.332	-	1.272	23.980	-
Tata Consultancy Services Netherlands B.V.	103.798	104.882	6.667	20.996	-
Tata Consultancy Services Deutschland GmbH	6.966	-	2.109	10.138	-
Tata Consultancy Services France SAS	21.600	-	-	17.915	(2.695)
Tata Consultancy Services Luxembourg SA	39.163	29.253	-	-	-
Tata Consultancy Services Sweden	61.978	-	247	3.823	-
Tata America Internacional Corporat ion	-	-	9.774	2.365	-
Tata Consultancy Services Switzerland Ltd	-	-	-	2.481	-
Tata Sons, Limited	-	-	-	-	-
Tata Consultancy Services, Limited	257.311	11.081	1.630	2.239.606	8.773
	494.148	145.216	21.699	2.321.304	6.078

17. RENDERED SERVICES

Rendered services by the Company during the years ended March 31, 2022 and 2021, were as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Internal market	**1.404.523**	1.537.010
External market (a)	**5.257.797**	2.283.202
	6.662.320	3.820.212

(a) As of March 31, 2022 and 2021 rendered services included 5.257.797 Euros and 2.259.265 Euros, respectively, related with Group companies (Note 16).

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18. SUPPLIES AND SERVICES

The caption "Supplies and services" for the years ended March 31, 2022 and 2021, is made up as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Subcontracts	**3.891.738**	1.805.315
Fees	**366.685**	404.559
Rents and leases	**95.433**	38.804
Travel expenses	**690**	261
Specialized services	**45.937**	29.308
Communication	**5.364**	5.540
Others	**55.062**	5.933
	4.460.909	2.289.720

During the years ended March 31, 2022 and 2021, these captions included 946.222 Euros and 935.542 Euros, respectively, related to services rendered by Group companies (Note 16).

A new lease agreement was done, following the change of the Company's headquarters, resulting in an increase in the rents and leases value.

19. PAYROLL EXPENSES

The caption "Payroll expenses" of the years ended March 31, 2022 and 2021, was as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Staff remuneration	**671.213**	665.068
Bonuses	**44.587**	27.824
Social security charges	**141.514**	162.266
Others	**62.017**	36.644
	919.331	891.802

During the years ended March 31, 2022 and 2021, the average number of personnel was 11 and 11, respectively.

20. PROVISIONS

In the years ended March 31, 2022 and 2021, movements occurred in caption "Provisions" were as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Increase	**125.424**	-
Decrease	**104.816**	-
	20.608	-

21. OTHER OPERATING INCOME

The composition of the caption "Other operating income" for the years ended March 31, 2022 and 2021, was as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Foreign exchange rate gains	**32.964**	-
Others	**-**	1.391
	32.964	1.391

22. OTHER OPERATING EXPENSES

The composition of caption "Other operating expenses" for the years ended March 31, 2022 and 2021, was as follows:

(EUR)

	Year ended March 31, 2022	Year ended March 31, 2021
Foreign exchange rate losses	**62.567**	44.849
Others	**1.154**	1.220
	63.721	46.069

23. SUBSEQUENT EVENTS

The year 2021 ended with strong signs of an economic recovery which is expected to continue in 2022 and is expected to slow down in subsequent years. However, regarding the pandemic situation, it is observed that the new variants and the constraints in vaccination of the populations remain real risks to the return to normality.

With Russia's recent offensive on Ukraine, high volatility in energy prices is expected, including the price of a barrel of Brent (a benchmark for Europe) which has reached historic high levels since 2008 and which strongly impacts the fuel market.

Prices are likely to rise, which entails some uncertainty for all activities, and a general increase in prices is expected in all sectors of the economy.

However, it is assessed that the pandemic or the war in Ukraine would not have any impact on the continuity of the Company as per current visibility. Hence the assumption of the continuity of operations as a going concern used in the preparation of these financial statements, remains appropriate.

Events occurring after the balance sheet date on conditions that existed at the balance sheet date have been are considered in the preparation of the financial statements.

24. RISKS

Credit risks

The company is exposed to credit risk related with the possibility of the other part failing to comply with contractual obligations, resulting in losses relating to assets fulfilment.

Credit risk is mainly related with receivables, as a result of the Company´s operations, namely data-processing consultancy rendered services to its clients.

This risk is monitored, on a regular basis, with the objective of:

- limit credit granted to clients, considering the profile and age of account receivables;
- monitor the progress of granted credit level;
- analyse the recoverability of receivables on a regular basis.

Impairment losses for accounts receivable are calculated considering:

- analysis of aged accounts receivable;
- client risk's profile;
- clients' financial conditions.

As of March 31, 2022, Management is convicted that estimated impairment losses for accounts receivable are appropriately accounted for in the financial statements.

25. NOTE ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally prepared in Portuguese in conformity with Portuguese legislation and following generally accepted accounting principles in Portugal. In the event of discrepancies, the Portuguese language version prevails.

THE CERTIFIED ACCOUNTANT MANAGEMENT

Tata Consultancy Services Saudi Arabia

(A Foreign Limited Liability Company)

FINANCIAL STATEMENTS

For the period ended December 31, 2021

Together with the

Independent Auditor's Report

FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2021

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Independent Auditor's Report

KPMG Professional Services
Riyadh Front, Airport Road
P. O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494
Headquarters in Riyadh

To the Shareholders of Tata Consultancy Services Saudi Arabia Company

Opinion

We have audited the financial statements of Tata Consultancy Services Saudi Arabia Company ("the Company"), which comprise the statement of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company's Articles of Association and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, being the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Tata Consultancy Services Saudi Arabia ("the Company")**.

KPMG Professional Services

Fahad Mubarak Al Dossari
License No.: 469

Riyadh, 14 April 2022
Corresponding to 13 Ramadan 1443H

Statement of Financial Position

(Amount in SAR)

	Note	As at December 31, 2021	As at March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	7 (a)	**38,651,679**	108,906,649
Trade receivables	7 (b)	**36,774,809**	28,263,277
Unbilled receivables		**137,617**	2,514,237
Other financial assets	7 (c)	**410,333**	439,136
Current income tax assets (net)	13	**3,458,331**	1,012,755
Other current assets	9 (c)	**5,792,637**	7,997,936
Total current assets		**85,225,406**	149,133,990
Non-current assets			
Property, plant and equipment	9 (a)	**1,623,471**	839,936
Right-of-use assets	8	**10,424,841**	12,950,721
Other intangible assets	9 (b)	**29,984**	45,711
Deferred tax assets (net)	13	**6,144,644**	5,338,495
Other non-current assets	9 (d)	**-**	557,382
Total non-current assets		**18,222,940**	19,732,245
TOTAL ASSETS		**103,448,346**	168,866,235
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade and other payables	7 (d)	**7,397,348**	1,700,666
Lease liabilities		**3,159,649**	2,201,257
Other current financial liabilities	7 (e)	**1,359,628**	1,756,511
Unearned and deferred revenue	10	**96,021**	120,975
Employee benefit obligations	14	**9,498,465**	10,830,169
Other current liabilities	9 (e)	**4,069,955**	1,625,854
Total current liabilities		**25,581,066**	18,235,432
Non-current liabilities			
Lease liabilities		**6,282,020**	6,911,727
Employee benefit obligations	14	**15,908,300**	6,439,985
Total non-current liabilities		**22,190,320**	13,351,712
Total liabilities		**47,771,386**	31,587,144
Equity			
Share capital	7 (i)	**3,750,000**	3,750,000
Retained earnings		**50,051,960**	131,654,091
Statutory reserve		**1,875,000**	1,875,000
Total equity		**55,676,960**	137,279,091
TOTAL LIABILITIES AND EQUITY		**103,448,346**	168,866,235

SEE ACCOMPANYING NOTES FROM 1 TO 17 FORMING PART OF FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

(Amount in SAR)

	Note	For the period ended December 31, 2021	For the year ended March 31, 2021
Revenue	10	**78,812,772**	146,312,783
Operating expenses			
Employee cost	14	**(64,276,486)**	(104,691,428)
Other operating expenses	11	**(12,031,029)**	(20,214,557)
Depreciation and amortisation expenses	8, 9 (a) & 9 (b)	**(2,812,753)**	(4,782,116)
Total operating expenses		**(79,120,268)**	(129,688,101)
Operating (loss) / income		**(307,496)**	16,624,682
Other (expenses) / income			
Other non-operating loss, net	12 (c)	**(76,152)**	(195,994)
Finance costs	12 (b)	**(230,520)**	(347,688)
Interest income	12 (a)	**247,304**	474,853
Other expenses / net		**(59,368)**	(68,829)
(LOSS) / PROFIT BEFORE TAXES		**(366,864)**	16,555,853
Income tax expense	13	**(707,009)**	(4,173,776)
(LOSS) / PROFIT FOR THE YEAR		**(1,073,873)**	12,382,077
OTHER COMPREHENSIVE INCOME / (LOSS), NET OF TAXES			
Items that will not be reclassified subsequently to profit or loss			
(Loss / gain on remeasurement of defined employee benefit plans	14	**(6,902,823)**	488,036
Deferred tax on (loss) / gain on remeasurement of defined employee benefit plans	13	**1,380,565**	(97,607)
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME,NET OF TAXES		**(5,522,258)**	390,429
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		**(6,596,131)**	12,772,506

SEE ACCOMPANYING NOTES FROM 1 TO 17 FORMING PART OF FINANCIAL STATEMENTS

Statement of Changes in Shareholders' Equity

(Amount in SAR)

	Notes	Share capital	Retained earnings	Statutory reserves	Total equity
Balance as at April 1, 2020		3,750,000	118,881,585	1,875,000	124,506,585
Profit for the year		-	12,382,077	-	12,382,077
Other comprehensive income for the year		-	390,429	-	390,429
Total Comprehensive income		-	12,772,506	-	12,772,506
Balance as at March 31, 2021		3,750,000	131,654,091	1,875,000	137,279,091
Loss for the period		**-**	**(1,073,873)**	**-**	**(1,073,873)**
Other comprehensive loss for the period		**-**	**(5,522,258)**	**-**	**(5,522,258)**
Total Comprehensive Loss		**-**	**(6,596,131)**	**-**	**(6,596,131)**
Dividend paid during the period	17	**-**	**(75,006,000)**	**-**	**(75,006,000)**
Balance as at December 31, 2021		**3,750,000**	**50,051,960**	**1,875,000**	**55,676,960**

SEE ACCOMPANYING NOTES FROM 1 TO 17 FORMING PART OF FINANCIAL STATEMENTS

Statements of Cash Flows

(Amount in SAR)

	Note	For the period ended December 31, 2021	For the year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit for the year		**(1,073,873)**	12,382,077
Adjustment to reconcile profit or loss to net cash generated from operating activities:			
Depreciation and amortisation expenses	8, 9 (a) & 9 (b)	**2,812,753**	4,782,116
Income tax expense	13	**707,009**	4,173,776
Finance cost	12 (b)	**230,520**	347,688
Interest income	12 (a)	**(247,304)**	(474,853)
(Reversal of) / provision for doubtful debts (net)	7 (b)	**(614,668)**	399,374
Net change in working capital			
Trade receivables		**(7,896,864)**	7,016,726
Other financial assets		**28,803**	123,955
Unbilled receivables		**2,376,620**	8,237,997
Other current assets		**2,205,299**	(1,477,840)
Other non-current assets		**557,382**	242,555
Trade and other payables		**5,696,682**	(3,241,992)
Unearned and deferred revenue		**(24,954)**	(211,422)
Employee benefit obligations		**1,233,788**	7,767,496
Other current liabilities		**2,444,101**	1,157,831
Other current financial liabilities		**(396,883)**	1,735,719
Cash generated from operating activities		**8,038,411**	42,961,203
Taxes paid	13	**(2,578,169)**	(8,012,327)
Net cash generated from operating activities		**5,460,242**	34,948,876
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment (includes CWIP)		**(955,821)**	(33,130)
Proceeds from disposal of intangible assets		**-**	1,313
Proceeds from interest received on fixed deposits - short term		**247,304**	474,853
Net cash(used in)/ generated from Investing activities		**(708,517)**	443,036
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(695)**	(50,591)
Repayment of lease liabilities		**-**	(5,430,927)
Interest payment of lease liabilities		**-**	(297,097)
Payment of dividend		**(75,006,000)**	-
Net cash used in financing activities		**(75,006,695)**	(5,778,615)
Net change in cash and cash equivalents		**(70,254,970)**	29,613,297
Cash and cash equivalents, beginning of the year		**108,906,649**	79,293,352
Cash and cash equivalents, end of the year	7 (a)	**38,651,679**	108,906,649

SEE ACCOMPANYING NOTES FROM 1 TO 17 FORMING PART OF FINANCIAL STATEMENTS

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services Saudi Arabia ("The Company") is a Foreign limited liability Company registered in the Kingdom of Saudi Arabia under commercial registration numbered 1010435987 dated 14 Shawwal 1436H (Corresponding to 30 July 2017).

The registered address of Company is - Akaria Center II, office no 172, 7th floor, Olaya Road, P.O Box 300055, Riyadh - 11372, Kingdom of Saudi Arabia.

The Company provides all services related to information technology and services include business process management, application support and maintenance services, infrastructure and its maintenance support, call center services relating to any industry or trade or application or domain services. The Company's full service portfolio consist of activities related to software development, implementation, support and maintenance of any industry, trade, application, product, device, computer, microscopic including consulting, design and implementation of software, hardware for all these services processors, provide software and hardware consulting and information processing services.

The financial statements were approved by the Board of Directors and authorized for issue on dated 13 Ramadan 1443H (Corresponding to 14 April 2022)

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented.

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis using the going concern concept except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period and defined benefit plans which are measured in accordance with IAS 19. 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 or noncurrent as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The company changed its accounting period. Accordingly this financial statements covers the nine month period from 1st April 2021 to 31st December 2021 with the comparatives being for 12 months to 31st March 2021.

The financial statements are presented in Saudi Arabian Riyals, which is the functional and presentation currency of the Company. Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency using exchange rates prevailing on the date of statement of financial position. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are included in profit or loss. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rate prevailing on the date of statement of financial position.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year/period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and has been discussed below. Key source of estimation of uncertainty in respect of revenue recognition, employee benefits and fair value measurement of financial instruments have been discussed in their respective policies.

The Company uses the following critical accounting estimates in preparation of its consolidate financial statements:

a. Revenue recognition

Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment

The Company reviews the carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may affect depreciation expense in future periods. The carrying amount of property, plant and equipment as on December 31, 2021 was SAR 1,623,471 (March 31, 2021 was SAR 839,936)

c. 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.

d. Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

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

f. Employee benefits

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each statement of financial position date. The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

g. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

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

b. Statutory reserves

10% of the net profit shall be set aside as statutory reserve as per article (176) of the Companies Regulation, until it has built up a reserve equal to 30% of its share capital. The Company has kept aside 50% as per its article of association. Remaining profit shall be distributed amongst the shares proportionately to their share holding.

6. RECENT ACCOUNTING STANDARDS

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

Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use[1]
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract[1]
Amendments to IFRS 3	Business Combination - Reference to conceptual framework [1]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[1]
Amendments to IAS 1	Classification of Liabilities[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]
Amendments to IAS 12	Deferred Tax related to Assets and liabilities arising from a single transaction[2]

[1]Effective for annual periods beginning on or after January 1, 2022.

[2]Effective for annual periods beginning on or after January 1, 2023.

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IAS 16 - Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 - Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the group does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 - Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities It has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 - Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 - Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 - Income Taxes

In May 2021, IASB Issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

Tata Consultancy Services Saudi Arabia considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Trade receivables

Trade receivables without a significant financing component are initially measured at transaction price.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Derecognition

(a) Financial asset

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flow in a transaction in which substantially all of the risks and rewards of the ownership of financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases the transferred assets are not derecognised.

(b) Financial liability

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises financial liability when its terms are modified and cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of financial liability the difference between the carrying amount extinguished and the consideration paid (including any non cash asset transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

(a) Cash and cash equivalents

(Amount in SAR)

	As at December 31, 2021	As at March 31, 2021
Balance with bank - current account	**13,651,679**	13,906,649
Deposits with banks (original maturity less than 3 months)	**25,000,000**	95,000,000
Total	**38,651,679**	108,906,649

(b) Trade Receivables

(Amount in SAR)

	As at December 31, 2021	As at March 31, 2021
Trade receivables*	**36,774,809**	28,877,945
Less: Allowance for doubtful trade receivables	**-**	(614,668)
Total	**36,774,809**	28,263,277

* Trade receivables include balance with related party (refer note number - 15)

Movement in the allowance for doubtful trade receivables is given below:

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Opening balance	**614,668**	215,294
Add: (reversal) / charge to profit and loss	**(614,668)**	399,374
Closing balance	**-**	614,668

(c) Other financial assets

Other financial asset consist of the following:

(Amount in SAR)

Other current financial assets	As at December 31, 2021	As at March 31, 2021
Premises security deposit	**180,720**	180,720
Employee advances	**191,241**	137,875
Accrued interest	**1,128**	115,033
Imprest	**37,244**	5,508
Total	**410,333**	439,136

(d) Trade and other payables

(Amount in SAR)

	As at December 31, 2021	As at March 31, 2021
Trade payables*	**5,600,351**	454,250
Accrued expenses	**1,796,997**	1,246,416
Total	**7,397,348**	1,700,666

* Trade payables include balance with related party (refer note number - 15)

(e) Other financial liabilities - current

(Amount in SAR)

	As at December 31, 2021	As at March 31, 2021
Accrued payroll	**1,109,813**	1,719,939
capital creditors	**249,815**	15,780
Security deposits	**-**	20,792
Total	**1,359,628**	1,756,511

(f) Financial instruments by category

The carrying value of financial instruments by categories as of December 31, 2021 is as follows:

(Amount in SAR)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	**38,651,679**	**38,651,679**
Trade receivables	**36,774,809**	**36,774,809**
Unbilled receivables	**137,617**	**137,617**
Other financial assets	**410,333**	**410,333**
	75,974,438	**75,974,438**
Financial liabilities		
Trade and other payables	**7,397,348**	**7,397,348**
Lease liabilities	**9,441,669**	**9,441,669**
Other financial liabilities	**1,359,628**	**1,359,628**
	18,198,645	**18,198,645**

The carrying value of financial instruments by categories as of March 31, 2021 is as follows:

(Amount in SAR)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	108,906,649	108,906,649
Trade receivables	28,263,277	28,263,277
Unbilled receivables	2,514,237	2,514,237
Other financial assets	439,136	439,136
	140,123,299	140,123,299
Financial liabilities		
Trade and other payables	1,700,666	1,700,666
Lease liabilities	9,112,984	9,112,984
Other financial liabilities	1,756,511	1,756,511
	12,570,161	12,570,161

The fair values of financial assets and financial liabilities as at December 31, 2021 and March 31, 2021 approximate the carrying amounts.

(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.

(h) Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rate may have potential impact on the financial statement, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than functional currency of the Company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currencies of company.

The following analysis has been worked out based on the net exposures of the Company.

The following table sets forth information relating to foreign currency exposure as at December 31, 2021:

(equivalent SAR)

	INR	USD	Other
Net financial assets	**384,855**	**8,612,110**	**144,264**
Net financial liabilities	**(1,554)**	**5,375,886**	**3,041**

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Saudi Arabia would result in decrease/ increase in the Company's profit before taxes by approximately SAR 376,386 for the period ended December 31, 2021.

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The following table sets forth information relating to foreign currency exposure as at March 31, 2021:

(equivalent SAR)

	INR	USD	Other
Net financial assets	155,698	9,066,232	818
Net financial liabilities	8,407	300,280	-

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Saudi Arabia would result in decrease / increase in the Company's profit before taxes by approximately SAR 891,406 for the period ended March 31, 2021.

- **Interest rate risk**

The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was SAR 77,169,818 and SAR 140,389,873 as of December 31, 2021 and March 31, 2021, respectively being the total of the carrying amount of balance with bank, trade receivable, unbilled receivable and other financial assets. Balance with bank is placed with a bank with high credit ratings. As of December 31, 2021, there were no indications that any defaults will occur on trade receivable, unbilled receivables, contract assets or other financial assets.

Details of single customer who contribute to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at December 31, 2021 and March 31, 2021.

(Amount in SAR)

	As at December 31, 2021		As at March 31, 2021	
	Amounts	Percentage	Amounts	Percentage
Customer A	**14,320,283**	**38%**	10,821,969	35%
Customer B	**8,355,291**	**22%**	7,741,015	25%
Customer C	**5,706,878**	**15%**	9,057,614	29%

- **Geographic concentration of credit risk**

The Company has a geographic concentration of trade receivables (net of allowances), unbilled receivables and contract assets is as given below:

	As at December 31, 2021	As at March 31, 2021
Saudi Arabia	**97%**	92%
America	**0%**	7%
Others	**3%**	1%

Geographical concentration of trade receivables, unbilled receivables and contract assets is allocated based on the location of the customers.

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. The expected credit loss allowance is based on the ageing of the days the receivables are due and are as follows:

(Amount in SAR)

December 31, 2021	**Weighted average loss rate**	**Gross carrying amount***	**Loss allowance**	**Credit impaired**
No Due	**0.00%**	**6,492,671**	**-**	**No**
1-90	**0.00%**	**7,049,231**	**-**	**No**
91-180	**0.00%**	**0**	**-**	**No**
181-272	**0.00%**	**23,659**	**-**	**No**
273-364	**0.00%**	**-**	**-**	**No**
365-455	**0.00%**	**-**	**-**	**No**
456-546	**0.00%**	**-**	**-**	**No**
>547	**100.00%**	**-**	**-**	**Yes**

(Amount in SAR)

March 31, 2021	**Weighted average loss rate**	**Gross carrying amount***	**Loss allowance**	**Credit impaired**
Not Due	0.00%	17,949,510	-	No
1-90	0.00%	5,906,917	-	No
91-180	0.00%	1,924,960	-	No
181-272	0.00%	-	-	No
273-364	0.00%	-	-	No
365-455	0.00%	-	-	No
456-546	0.00%	-	-	No
547-638	0.00%	-	-	No
639-730	14.29%	-	-	No
>730	100.00%	-	-	Yes

*Gross carrying amount excludes inter-company and retention receivable from customers.

There is no credit risk for intercompany receivables as the receivables are due from Holding company and retention receivable from customers are considered through time value of money.

The above table provides the loss allowance calculated as per ECL and Management is expected to make at the minimum this amount as provision of bad and doubtful debts against trade receivables.

In addition to the historical pattern of credit loss, management has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. As per the assessment of expected credit loss carried out by management (including assessment of adverse impact due to COVID-19), the impact of COVID-19 on financial assets is limited. Credit risk is mainly on receivables from the government and financial sector clients which are not heavily impacted by COVID-19.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

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The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

December 31, 2021	Due in 1st year	Due in 2nd to 5th year	Total
Financial Liabilities			
Trade and other payables	**7,397,348**	**-**	**7,397,348**
lease liabilities	**3,368,501**	**6,391,645**	**9,760,145**
Other financial liabilities	**1,359,628**	**-**	**1,359,628**
Total	**12,125,477**	**6,391,645**	**18,517,121**

March 31, 2021	Due in 1st year	Due in 2nd to 5th year	Total
Financial liabilities			
Trade and other payables	1,700,666	-	1,700,666
Lease liabilities	2,520,642	7,245,503	9,766,145
Other financial liabilities	1,756,511	-	1,756,511
Total	5,977,819	7,245,503	13,223,322

(i) Equity instruments

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

(Amount in SAR)

	As at December 31, 2021	As at March 31, 2021
Authorised, issued, subscribed and paid up share capital		
Share Capital at SR 3,750 (1,000 shares)	**3,750,000**	3,750,000
	3,750,000	3,750,000

Share holding	Percentage	No of Share	Amount per Share	Total
Tata Consultancy Services Netherlands B.V	76%	760	3,750	2,850,000
Saudi Desert Rose Holding B.V	24%	240	3,750	900,000
				3,750,000

The Share capital of Saudi is SR 3,750,000 divided into 1000 Shares @ 3,750 carry one vote per share and have right to dividend.

The Company's objective for capital management is to maximize 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 product 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.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs Incurred and an estimate of costs to be Incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and 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 Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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.

The details of the right-of-use asset held by the Company is as follows:

(Amount in SAR)

	Additions for the period ended December 31, 2021	Net carrying amount as at December 31, 2021
Leasehold building	**98,822**	**10,415,615**
Office equipment	**38**	**9,226**
Total	**98,860**	**10,424,841**

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(Amount in SAR)

	Additions for the year ended March 31,2021	Net carrying amount as at March 31, 2021
Leasehold building	6,402,361	12,937,123
Office equipment	17,974	13,598
Total	6,420,335	12,950,721

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

	Period ended December 31, 2021
Leasehold building	**2,620,329**
Leasehold improvements	**-**
Furniture and fixtures	**-**
Office equipment	**4,411**
Total	**2,624,740**

	Year ended March 31, 2021
Leasehold building	3,466,046
Leasehold improvements	491,638
Furniture and fixtures	199,430
Office equipment	248,376
Total	4,405,490

Interest on lease liabilities is SAR 229,825 and SAR 297,097 for the period ended on December 31, 2021 and March 31, 2021, respectively.[Refer Note 12(b)].

The Company incurred SAR (136,591) and SAR 771,200 for the period ended December 31, 2021 and March 31, 2021, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is SAR 170,808 and SAR 6,499,224 for the period ended December 31, 2021, and March 31, 2021, respectively, including cash outflow for short-term leases and leases of low-value assets.

The Company does not have lease term extension options that are not reflected in the measurement of lease liabilities.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

9. NON-FINANCIAL ASSETS AND 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 and equipment so as to expense the cost 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	Method	Useful life (in years)
Computer equipment	Straight line method	4 years
Plant and machinery	Straight line method	10 years
Furniture and fixtures	Straight line method	4 to 10 years
Office equipment	Straight line method	4 to 10 years
Electrical installations	Straight line method	4 to 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.

Property, plant and equipment is derecognised from the statement of financial position on its disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and is recognised in profit and loss.

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Property, Plant and equipment consist of the following:

(Amount in SAR)

	Plant and machinery	Leasehold improvements	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Total
Cost as at April 1, 2021	**120,000**	**-**	**4,725,948**	**15,950**	**1,156,021**	**1,110,319**	**7,128,238**
Additions	**-**	**-**	**51,885**	**-**	**29,444**	**-**	**81,329**
Disposals	**-**	**-**	**3,190**	**-**	**-**	**-**	**3,190**
Cost as at December 31, 2021	**120,000**	**-**	**4,774,643**	**15,950**	**1,185,465**	**1,110,319**	**7,206,377**
Accumulated depreciation as at April 1, 2021	**60,000**	**-**	**4,607,907**	**9,570**	**1,110,858**	**515,747**	**6,304,082**
Depreciation for the period	**9,041**	**-**	**52,565**	**2,403**	**20,567**	**87,710**	**172,286**
Disposals	**-**	**-**	**3,190**	**-**	**-**	**-**	**3,190**
Accumulated depreciation as at December 31, 2021	**69,041**	**-**	**4,657,282**	**11,973**	**1,131,425**	**603,457**	**6,473,178**
Net carrying amount as at December 31, 2021	**50,959**	**-**	**117,361**	**3,977**	**54,040**	**506,862**	**733,199**
Capital work-in-progress							**890,272**
Total							**1,623,471**

	Plant and machinery	Leasehold improvements	Computer equipment	Furniture and fixtures	Office equipment	Electrical installations	Total
Cost as at April 1, 2020	120,000	-	4,684,127	15,950	1,144,821	1,110,319	7,075,217
Additions	-	-	41,821	-	11,200	-	53,021
Cost as at March 31, 2021	120,000	-	4,725,948	15,950	1,156,021	1,110,319	7,128,238
Accumulated depreciation as at April 1, 2020	48,000	-	4,501,177	6,380	993,440	399,333	5,948,330
Depreciation for the year	12,000	-	106,730	3,190	117,418	116,414	355,752
Accumulated depreciation as at March 31, 2021	60,000	-	4,607,907	9,570	1,110,858	515,747	6,304,082
Net carrying amount as at March 31, 2021	60,000	-	118,041	6,380	45,163	594,572	824,156
Capital work-in-progress							15,780
Total							839,936

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b. 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:

(Amount in SAR)

	Software licences	Others	Total
Cost as at April 1, 2021	**83,494**	**-**	**83,494**
Additions	**-**	**-**	**-**
Disposals	**-**	**-**	**-**
Cost as at December 31, 2021	**83,494**	**-**	**83,494**
Accumulated amortisation as on April 1, 2021	**37,783**	**-**	**37,783**
Amortisation for the period	**15,727**	**-**	**15,727**
Accumulated amortisation as on December 31, 2021	**53,510**	**-**	**53,510**
Net carrying amount as at December 31, 2021	**29,984**	**-**	**29,984**

(Amount in SAR)

	Software licences	Others	Total
Cost as at April 1, 2020	74,963	9,844	84,807
Additions	8,531	-	8,531
Disposals	-	(9844)	(9,844)
Cost as at March 31, 2021	83,494	-	83,494
Accumulated amortisation as on April 1, 2020	16,909	-	16,909
Amortisation for the year	20,874	-	20,874
Accumulated amortisation as on March 31, 2021	37,783	-	37,783
Net carrying amount as at March 31, 2021	45,711	-	45,711

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c. Other current assets

(Amount in SAR)

	As at December 31, 2021	As at March 31, 2021
Prepaid expenses	**4,398,698**	7,688,651
Contract assets (refer note number 10)	**1,393,939**	266,574
Advance to suppliers	**-**	20,791
Prepaid rent	**-**	21,920
Total	**5,792,637**	7,997,936

d. Other non-current assets

(Amount in SAR)

	As at December 31, 2021	As at March 31, 2021
Prepaid expenses	**-**	557,382
Total	**-**	557,382

e. Other current liabilities

(Amount in SAR)

	As at December 31, 2021	As at March 31, 2021
Indirect tax payable and other statutory liabilities	**4,069,955**	1,625,854
Total	**4,069,955**	1,625,854

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Transaction price attributed in case of contracts with subsidiary is arrived at on the basis of arm's length price. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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 the 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 is excess of revenue 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 is 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Revenue from consultancy services	**78,812,772**	146,312,783
Total	**78,812,772**	146,312,783

Revenue disaggregation by industry vertical is as follows:

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Energy, resources and utilities	**42,373,765**	65,074,690
Manufacturing	**10,764,543**	47,344,845
Banking , financial services and insurance	**25,442,215**	33,388,405
Retail and consumer business	**232,249**	285,960
Others	**-**	218,883
Communication, media and technology	**-**	-
Total	**78,812,772**	146,312,783

Revenue disaggregation by geography is as follows:

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Middle east	**78,448,751**	119,390,428
Others	**364,021**	26,922,355
Total	**78,812,772**	146,312,783

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has applied practical expedient of not disclosing the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is SAR 25,476,846 out of which 68.53% is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

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Movement in contract asset is given below:

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Balance at the beginning of the period / year	**266,574**	1,125,208
Add: Revenue recognised during the period/ year	**1,392,400**	267,141
Less: Invoices raised during the period/ year	**(266,574)**	(1,122,123)
Add/Less: Translation exchange difference	**1,539**	(3,652)
Balance at the end of the period / year	**1,393,939**	266,574

Movement in unearned and deferred revenue is given below:

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Balance at the beginning of the period/ year	**120,975**	332,397
less: Revenue recognised during the period/ year	**(120,975)**	(332,397)
Add: Invoices raised during the period/ year	**96,083**	120,975
Add/Less: Translation exchange difference	**(62)**	-
Balance at the end of the period/ year	**96,021**	120,975

11. 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 doubtful trade receivables and advances, 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 function

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Cost of revenue	**51,333,193**	88,692,244
Selling, general and administrative expenses	**27,787,075**	40,995,857
Total	**79,120,268**	129,688,101

Costs and expenses are recognized when incurred and have been classified according to their nature.

The costs of the Company are broadly categorised into employee benefit expenses, depreciation and other operating expenses. Employee benefit expenses include salaries, incentives and allowances, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivables and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as corporate overhead allocation, commission and brokerage, recruitment and training, entertainment, etc.

(Amount in SAR)

Expenses by nature	**Period ended December 31, 2021**	**Year ended March 31, 2021**
Fees to external consultants	**6,290,308**	9,898,648
Facility expenses*	**4,150,515**	5,351,157
Communication	**363,517**	2,072,085
Travel expenses	**846,764**	1,312,264
Other expenses	**964,157**	1,178,336
Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)	**(614,668)**	399,374
Project expense	**30,436**	2,693
Total	**12,031,029**	20,214,557

*Facility expenses includes short term lease expenses amounting SAR (136,591) for December 31, 2021 (SAR 771,200 for March 31, 2021).

12. OTHER (EXPENSES) / INCOME

a. Finance and other income

Interest income is recognised using the effective interest method.

(Amount in SAR)

	Period ended December 31, 2021	**Year ended March 31, 2021**
Interest income - bank deposits	**247,304**	474,853
Total	**247,304**	474,853

b. Finance costs

(Amount in SAR)

	Period ended December 31, 2021	**Year ended March 31, 2021**
Interest on lease liabilities	**229,825**	297,097
Other interest expense	**695**	50,591
Total	**230,520**	347,688

c. Other non-operating loss (net)

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Net foreign exchange loss	**76,152**	195,994
Total	**76,152**	195,994

13. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the period / year.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. 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.

Deferred income taxes

Deferred income taxes are provided for the temporary differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The income tax expense consists of the following:

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Current tax		
Current tax expense	**132,593**	6,381,144
Deferred tax expense / (credit)	**574,416**	(2,207,368)
Total	**707,009**	4,173,776

The reconciliation of estimated income tax expense at the Saudi statutory income tax rate to income tax expense reported in statements of profit or loss and other comprehensive income is as follows:

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Income before income taxes	**(366,864)**	16,555,853
Income tax rate	**20%**	20%
Expected income tax expense	**(73,373)**	3,311,171
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax pertaining to prior years	**-**	1,318,348
Tax effect due to permanent difference	**780,382**	(455,743)
Total income tax expense	**707,009**	4,173,776

Income tax movement

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Opening tax liability	**(1,012,755)**	618,428
Provision for current tax charged to profit and loss	**132,593**	6,381,144
Tax paid	**(2,578,169)**	(8,012,327)
Net income tax liability	**(3,458,331)**	(1,012,755)

1. The Company has filed its income tax declaration ("return") for and upto the year ended March 31, 2021 with the Zakat, Tax and Customs Authority ("ZATCA").
2. Management requested the final zakat tax certificate for FY 22 after submission of the tax return of FY 21, which had been issued by the ZATCA valid until July 29, 2022.
3. During September 2020, ZATCA raised an assessment with additional tax of SAR 3,196,579 plus delay fines for the periods ended 31 March 2017 to 31 March 2019. The Company did not agree with the assessment and has filed an appeal with the ZATCA. The Company had approached the ZATCA for waiver of delay fines under the ZATCA's tax amnesty initiative. Under the amnesty, the Company had accepted the assessment and settled the additional tax claim of SAR 1.32 million (excluding the tax over-payment of SAR 1.9 million for the year ended 31 March 2017) and requested the ZATCA to waive the delay fines for respective years.
4. No assessment raised for FY 20 and 21 and there are no outstanding/ongoing assessment with the ZATCA.

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2021 are as follows:

(Amount in SAR)

	Opening balance	Recognised / reversed through profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets / (liabilities) In relation to:				
Property, plant and equipment and intangibles	**1,340,554**	**17,618**	**-**	**1,358,172**
Provision for employee benefits	**3,454,031**	**(522,764)**	**1,380,565**	**4,311,832**
Provision for doubtful debts	**122,933**	**(122,933)**	**-**	**-**
Leases	**420,977**	**53,663**	**-**	**474,640**
Net deferred tax assets	**5,338,495**	**(574,416)**	**1,380,565**	**6,144,644**

Gross deferred tax assets and liabilities are as follows:

(Amount in SAR)

	Assets	Liabilities	Net
Deferred tax assets/ (liabilities) in relation to:			
Property, plant and equipment and intangibles	**1,358,172**	**-**	**1,358,172**
Provision for employee benefits	**4,311,832**	**-**	**4,311,832**
Leases	**474,640**	**-**	**474,640**
Net deferred tax assets	**6,144,644**	**-**	**6,144,644**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

(Amount in SAR)

	Opening balance	Recognised / reversed through profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets / (liabilities) in relation to:				
Property, plant and equipment and intangibles	1,173,549	167,005	-	1,340,554
Provision for employee benefits	1,998,139	1,553,499	(97,607)	3,454,031
Provision for doubtful debts	43,058	79,875	-	122,933
Leases	13,990	406,987	-	420,977
Net deferred tax assets	3,228,736	2,207,366	(97,607)	5,338,495

(Amount in SAR)

Gross deferred tax assets and liabilities are as follows:	Assets	Liabilities	Net
Deferred tax assets / (relations) in relation to:			
Property, plant and equipment and intangibles	1,340,554	-	1,340,554
Provision for employee benefits	3,454,031	-	3,454,031
Provision for doubtful debts	122,933	-	122,933
Leases	420,977	-	420,977
Net deferred tax assets	5,338,495	-	5,338,495

IFRIC 23 Interpretation uncertainty over income tax treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The Company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no instances of any uncertain tax treatment in the past and on that basis it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

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14. EMPLOYEE BENEFITS

Defined benefit plan

The Company operates a defined benefit plan for employees in accordance with Saudi Labor and Workman Law as defined by the conditions stated in the laws of the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements for actuarial gains and losses are recognised in the statement of financial position with a corresponding credit to retained earnings through other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to statement of profit or loss in subsequent periods.

Past service cost are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date the Company recognises related restructuring costs

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as actuarially determined liability at the present value of the obligation at the year end.

Employee cost consist of the following:

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Salaries & bonus	**52,928,599**	89,566,306
Contributions to provident and other funds	**6,923,973**	8,929,691
Staff welfare	**4,423,914**	6,195,431
Total	**64,276,486**	104,691,428

Employee benefit obligation consist of the following:

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Employee benefit obligations - current		
Compensated absences	**9,498,465**	9,276,649
Gratuity liability	**-**	1,553,520
Total	**9,498,465**	10,830,169

(Amount in SAR)

Employee benefit obligations - Non-current	Period ended December 31, 2021	Year ended March 31, 2021
Gratuity liability	**15,908,300**	6,439,985
Total	**15,908,300**	6,439,985

Defined benefit plans

Gratuity

In accordance with Saudi Labour Law, The Company operate a scheme of Gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment at an amount equivalent to:-

For service more than 2 years and less than 5 years - 1/3 of retirement benefits.

For service more than 5 years and less than 10 years - 2/3 of retirement benefits.

For service more than 10 years - Full retirement benefits

There is a vesting period of 2 years for the payment of end of services benefit.

The assumptions used in accounting for the defined benefit plan are set out below:

(Amount in SAR)

	Period ended December 31, 2021	Year ended March 31, 2021
Discount rate	**2.30%**	2.00%
Salary escalation rate	**3.45%**	3.45%
Attrition rate	**20.32%**	25.42%
The following table provides a reconciliation from the opening balances to closing balances for defined benefit liability		
Benefit obligations, beginning of the year	**7,993,505**	6,101,363
Included in profit and loss statement		
- Service cost	**2,322,544**	2,987,229
- Interest cost	**-**	122,027
Included In other comprehensive income / (loss)		
Loss/ (gain) on remeasurement of the net defined benefit liability	**6,902,823**	(488,036)
Benefits paid	**(1,310,572)**	(729,078)
Total	**15,908,300**	7,993,505

(Amount in SAR)

Sensitivity Analysis	Period ended December 31, 2021	Year ended March 31, 2021
Effect of "+0.50" change in rate of discounting	**(427,600)**	(146,561)
Effect of "-0.50" change in rate of discounting	**451,500**	153,004
Effect of "+0.50" change in salary escalation	**444,200**	150,069
Effect of "-0.50" change in salary escalation	**(424,900)**	(145,234)

15. RELATED PARTY TRANSACTIONS

Tata Consultancy Services Saudi Arabia's principal related parties consist of its holding company Tata Consultancy Services Netherlands B.V and its holding and subsidiaries, and its key managerial personnel. The company routinely enters into transactions with its related parties in the ordinary course of business on an arms length price.

Transactions with related parties

For the period ended December 31, 2021

Particulars	Saudi Desert Rose Holding B.V.	Tata Consultancy Services Netherlands B.V.	With Tata Consultancy Services Limited, Parent of holding company (India)	Total
Revenue from sale of services and licenses	-	-	369,280	369,280
Purchases of goods and services	-	-	(31,468,983)	(31,468,983)
Dividend paid	18,001,440	57,004,560	-	75,006,000
Total	18,001,440	57,004,560	(31,099,703)	43,906,297

For the year ended March 31, 2021

Particulars	Saudi Desert Rose Holding B.V.	Tata Consultancy Services Netherlands B.V.	With Tata Consultancy Services Limited, Parent of holding company (India)	Total
Revenue from sale of services and licenses	-	-	285,958	285,958
Purchases of goods and services	-	-	1,313,841	1,313,841
Total	-	-	1,599,799	1,599,799

Balances with related parties

As at December 31, 2021

Particulars	Saudi Desert Rose Holding B.V.	Tata Consultancy Services Netherlands B.V.	With Tata Consultancy Services Limited, Parent of holding company (India)	Total
Trade receivables	-	-	**8,946,171**	**8,946,171**
Trade payables	-	-	**6,844,021**	**6,844,021**
Prepaid expenses	-	-	**6,298**	**6,298**
Total	-	-	**15,796,490**	**15,796,490**

As at March 31, 2021

Particulars	Saudi Desert Rose Holding B.V.	Tata Consultancy Services Netherlands B.V.	With Tata Consultancy Services Limited, Parent of holding company (India)	Total
Trade receivables	-	-	2,932,297	2,932,297
Trade payables			675,613	675,613
Prepaid expenses	-	-	46,115	46,115
Total	-	-	3,654,025	3,654,025

• No compensation paid to key managerial personnel for the period ended December 31, 2021.

16. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

17. DIVIDENDS

Dividends paid during the period ended December 31, 2021 include an amount of SAR 75,006,000 towards final dividend for the year ended March 31, 2021. Dividends declared by the Company are based on the profit available for distribution.

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TCS Business Services GmbH

Report
on the Audit
of the Financial Statements
and the Management Report
as of 31 March 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Financial Statements, Management Report and audit opinion

1. Audit Engagement

The management of TCS Business Services GmbH,
Düsseldorf, – hereinafter also referred to as the "Company" or "TCS" –

has engaged us to audit the Company's annual Financial Statements – including the accounting records – and the Management Report as of 31 March 2022 and to report on the result of our audit in accordance with professional practice. On 9 November 2021, the management confirmed receipt and acceptance of our Engagement Letter dated 4 November 2021.

In accordance with § 317 German Commercial Code (HGB), we conducted our audit according to German generally accepted standards for the audit of Financial Statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland*, "IDW") as set forth in the IDW Auditing Standards (IDW AuS).

In accordance with § 321 (4a) HGB, we confirm that we observed the applicable independence requirements during our audit of the Financial Statements.

We based the following report on the results of our audit. We observed the audit standard IDW AuS 450 (n.v.) in preparing the audit report.

Our audit work was performed in April 2022 in our offices. It was completed on 29 April 2022.

The General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften dated 1 January 2017, which are attached to this report, are applicable to this engagement and our responsibility, also in relation to third parties. The amount of our liability is determined in accordance with § 323 (2) HGB. No. 1 para. 2 and no. 9 of the General Engagement Terms apply in relation to third parties.

2 Basic Findings

2.1 Comments on the management assessment of the situation

The management of the Company prepared the Financial Statements and the Management Report on the going concern assumption.

In accordance with § 321 (1) sentence 2 HGB, an assessment of the position of the Company as expressed in the Financial Statements and in the Management Report prepared by the management shall precede the report. In this assessment, particular emphasis was placed on the going concern assumption and the assessment of the opportunities and risks of the Company's future development as expressed in the Financial Statements and the Management Report, to the extent that the audited documents permitted such an assessment.

Our report is based on the management assessment of the position of the Company as documented in the Management Report. We have evaluated the assessments included therein in terms of their plausibility and consistency with the findings of our audit. In accordance with professional regulations, we do not endeavour to make our own predictions and do not provide information concerning the position of the Company in place of the management.

The Management Report includes the following core statements about the Company's **financial situation and business performance (including the business result)**:

- "The German economy was still affected by the COVID 19 pandemic in 2021. After economic output grew again in the summer of 2021 despite increasing supply and material bottlenecks, the recovery was slowed down again by the fourth Corona wave and the associated renewed tightening of protective measures. According to the German Federal Statistical Office, gross domestic product increased by 2.9% in 2021. Compared with the quarter before the start of the Corona crisis, Q4 2019, GDP was 1.1% lower in Q4 2021.
- The growth momentum of the IT market in Germany improved significantly in 2021. Based on Bitkom data, the IT market grew by 6.3% in 2021, compared with 1.3% in the previous year. The individual sub-segments recorded the following growth rates in 2021: IT hardware 8.3% (previous year: 3.1%), software 8.0% (previous year: 5.1%), IT services 3.7% (previous year: -2.4%).
- The costs of the employees, together with all other costs of the Company, are charged in full to TATA Consultancy Services Deutschland GmbH at a mark-up of 7% (cost-plus method).

- Revenues for the financial year developed at variance with the market and increased by T€ 4,980 to T€ 17,527 compared to the financial year 2020/2021. Due to the cost-plus method, revenues are significantly dependent on the costs incurred in TCS Business Services GmbH. The costs have progressed in accordance with the order position, so that the calculation of a fixed mark up on costs results in an increased pre-tax profit for the year. This increased from T€ 1,169 to T€ 1,370. Our key financial performance indicators - revenue and pre-tax profit - therefore developed positively in 2021/2022.
- Due to an expected higher order situation and the associated higher personnel expenses and cost of materials, higher sales revenues were projected, which have materialised. The fact that the net profit for the year was lower than in the previous year is mainly due to higher tax expenses.
- Overall, the forecast for the financial year 2021/2022 was achieved. Management is therefore satisfied with the course of the financial year.
- The company's business performance was positive overall and had a corresponding effect on the company's net assets, financial position, and results of operations. This development also continued up to the time of the preparation of this management report."

These core statements about the Company's financial situation and business performance are discussed in sufficient detail in the Management Report and are understandable in and of themselves; we therefore refer to the Management Report, appended as Appendix 1.4, for further details.

The Management Report prepared by the Company's management includes the following core statements on the opportunities and risks of the Company's future development:

- "TCS' ability to generate growth and maintain economic momentum is linked to its ability to consistently meet customers' ever-changing business needs and help them transform by deploying new digital technologies in their businesses. TCS Enterprise Cloud and Digital

  Services & Solutions continue to offer significant growth opportunities in the market. Significant investments have been made to further develop these services. In addition, new business areas are being developed, expanded and marketed to both existing and new customers (including German SMEs). Based on current visibility (taking the COVID-19 situation into account), TCS assesses the opportunities as medium.
- In general, the willingness of customers to invest is influenced, among other things, by the overall economic development in the respective countries or in Europe as a whole as well as the confidence in a positive economic trend. As TCS generates the majority of its revenue in Germany, the development of the German economy is decisive for the growth of TCS in the current COVID 19 scenario described above. According to current visibility, TCS assesses the risk as low.
- Due to the cost-plus procedure, no significant risks are envisaged here.
- Foreign currency risks arise in particular from the conclusion of transactions in US dollars and other foreign currencies. A weakening of the dollar or other foreign currencies against the euro could therefore lead to foreign currency losses. The risk is considered to be low
- In TCS, default and liquidity risks are limited by the selection of customers and close cooperation in payment transactions between sales and administration within the framework of a functioning dunning system. TCS has a solvent and creditworthy customer base. Bad debts are an absolute exception. In addition, there is a long-standing cooperation with the majority of customers. In the current, ongoing COVID 19 situation, the TCS management regularly monitors the outstanding accounts with special attention to customers who may have run into financial difficulties. In this respect, we consider the financial risk of a liquidity shortage, in particular due to possible late payments to us by our sister company TCS, to be low."

These core statements about the opportunities and risks of the Company's future development are discussed in sufficient detail in the Management Report and are understandable in and of themselves; we therefore refer to the Management Report, appended as Appendix 1.4, for further details.

Based on our assessment of the financial situation of the Company, which we derived on the basis of the findings of our audit of the Financial Statements and of the Management Report – to the extent the audited documents permitted such an assessment – we have concluded that the assessment by the management on the position of the Company, particularly with respect to its ability to continue as a going concern and the opportunities and risks of future development, appears to be realistic.

2.2 Irregularities and violations of statutory provisions

We found no infringements against requirements that were unrelated to accounting.

3 Subject, nature and scope of the audit

The Company is a medium-sized Company within the meaning of § 267 (2) HGB. The audit constitutes a statutory audit in accordance with §§ 316 ff. HGB.

The subject of our audit were the Financial Statements as of 31 March 2022, which were compiled in accordance with the requirements of the German commercial law and consist of the balance sheet, income statement and the notes to the Financial Statements –including the accounting records–, as well as the Management Report for the financial year ended 31 March 2022.

The starting point for our audit were the assets, liabilities and capital accounts carried forward from the Financial Statements for the financial year from 1 April 2020 to 31 March 2021. The Financial Statements from the previous year were not audited by an independent auditor due to the size criteria of the company at that time.

Pursuant to IDW AuS 205, we have confirmed during our audit procedures that the opening entries were properly transferred from the previous years' statement. To ensure this, we have reviewed the audit report from the previous auditor and reconstructed the closing entries of the previous year. In addition to this, we have reviewed inventory evidence, register excerpts, contract and other business records relating to the previous year.

We audited the Financial Statements to verify assets and liabilities as well as to determine compliance with the regulations of the German Commercial Code (HGB) applicable for the Financial Statements of limited liability companies concerning recognition and measurement as well as classification of the items shown in the Financial Statements and for the required disclosures in the notes to the Financial Statements and profit appropriation. In addition, we audited compliance with the supplementary commercial law regulations pursuant to the relevant provisions of the Limited Liability Companies Act (GmbHG), as well as the supplementary provisions of the Shareholders' Agreement. Our audit included accounting records.

We audited the Management Report to determine whether it is consistent with the Financial Statements as well as with the findings of the audit, whether it complies with the relevant statutory provisions and whether it gives a true and fair view of the Company's position; in doing so, we also audited whether the opportunities and risks of the Company's future development had been accurately depicted.

The maintenance of the accounting records and the preparation of the Financial Statements as well as the other documents provided and statements made for this purpose are the responsibility of the management of TCS. Our responsibility is to express an opinion on the Financial Statements, including the maintenance of the accounting records and Management Report based on the audit we conducted.

In accordance with professional practice, we point out that our audit does not include the identification of violations outside of the accounting, fraud audits or other special audits. This applies in particular to the audit of compliance with the provisions of tax law or regulations governing price controls, laws limiting competition, laws controlling certain aspects of specific business operations (*Bewirtschaftungsrecht*), foreign exchange, labour and social security laws, as well as to the adequacy of insurance coverage.

Pursuant to § 317 (4a) HGB, the audit need not cover whether the Company will continue to operate as a going concern or whether the effectiveness and efficiency of the management is assured.

The audit of compliance with other legal provisions is only a part of the responsibilities of the audit of the financial reports in that these other provisions usually have repercussions on the Financial Statements or the Management Report.

In conducting our audit, we observed the provisions of § 316 ff. HGB and the relevant professional opinions, statements and auditing standards set out in the German Generally Accepted Standards for Financial Statement Audits promulgated by the "Institut der Wirtschaftsprüfer" (IDW). Those standards require that we plan and perform the audit to provide reasonable assurance that the accounting system, the Financial Statements, and the Management Report contain no significant deficiencies. During the audit, evidence supporting the disclosures in the accounting records, Financial Statements and the Management Report is examined primarily by means of appropriate sampling and analytical audit procedures. The audit included assessing the accounting, measurement and classification and consolidation principles used and significant estimates made by the managing directors, as well as evaluating the overall presentation of the Financial Statements and Management Report.

We believe that our audit provides a reasonable basis for our opinion.

Audit planning and execution was based on a risk- and process-oriented audit approach. Our risk-and process-oriented audit procedures were conducted based on an audit strategy. That strategy is developed from an assessment of the economic and legal environment in which the Company operates, its objectives, strategies and business risks, which we assessed on the basis of critical success factors. We supplement the subsequent audit of the accounting-related internal control system and its effectiveness with process analyses that we perform on a regular basis, particularly in the case of organisational and/or procedural changes, with the aim of determining their influence on relevant items in the annual Financial Statements and thus being able to assess the business risks and our audit risk. We considered the findings of the audit of the processes and the accounting-related internal control system when selecting the analytical audit procedures (plausibility assessments) and the individual case reviews with respect to the evidence supporting the disclosures in the Financial Statements.

Key factors were the general assessment of the business environment (industry-specific factors in particular) and information from the management about key corporate objectives and strategies as well as business risks (client-specific factors).

The audit planning was also influenced by our preliminary appraisal of the position of the Company and the fundamental assessment of the accounting-related internal control system and risk management.

Based on an overall assessment of these factors, we developed an audit programme and defined the focal points, nature and scope of the audit procedures, their sequence and the resources to be used. In so doing, we observed the principles of materiality and risk-orientation. We conducted our audit primarily with the aid of suitable selection processes (full survey, deliberate selection, test samples) and analytical audit procedures.

Based on our risk assessment, the following areas represent the focal points of our audit:

- valuation of financial assets,
- completeness and valuation of other provisions and pension provisions,
- completeness of balance sheet notes, notes and statements made in the Management Report.

The Company has established internal controls in various areas. We obtained an overview of the accounting internal control system and considered the findings of our audit procedures with respect to the internal control system in the further planning of our audit. Due to the transparent nature of the processes, we opted not to audit the functioning of the internal controls. Audit certainty was ensured primarily through individual case reviews.

These comprised plausibility checks and the audit of business transactions and inventories. In accordance with the principle of materiality and the risk of error, our audit procedures were mainly conducted based on samples. The following audit procedures were carried out individually:

Valuation of financial assets

To prepare our impairment test of the financial assets, we obtained securities account statements from the custodian bank and assured ourselves that the Company was indeed the holder of the securities. Additionally, we compared the capitalized book values of these securities to year-end rates for the financial year as well as to up-to-date stock market prices at the date of our audit. This audit yielded no indications of necessary depreciations.

Completeness and valuation of other provisions and pension provisions

The composition and development of other provisions and pension provisions in comparison to the previous year was audited on its completeness based on our acquired understanding of the business activities and through conversations with the management.

We obtained pension surveys from the actuary Lurse Pension & Benefits Consulting GmbH, Hanover, to audit the pension obligations. In addition, we obtained securities account statements from the custodian bank to audit the cover assets and received assurance that the cover assets were barred from distribution to any other creditors and were solely used to fulfil payments resulting from pension obligations. Furthermore, fair value of these securities was compared to year-end rates for the financial year.

Completeness of balance sheet notes, notes and statements made in the Management Report

The completeness of notes to the balance sheet, notes and statement of the Management Report was verified through interviewing the management and employees of the Company as well as examined against the background of our other audit procedures. We placed particular emphasis on verifying the correct attribution of balance sheet items and on the measurement and collateral security of the contingent liabilities.

Additional auditing procedures

Liabilities were audited on completeness and correct cost recognition through a cut-off test.

Receivables towards affiliated companies have been agreed with the companies concerned.

To match the balances and liabilities with banks we gathered bank statements as of 31 March 2022 and loan agreements. Additionally, we checked bank balance confirmations as of 31 March 2022 during our audit procedures to ensure the completeness of the notes to the balance sheet with regards to collaterals and contingent liabilities.

To audit the assets and liabilities, we reviewed excerpts from the commercial register, delivery and service contracts as well as other business records. We have requested confirmations from the Company's lawyers on pending legal disputes. We also requested a confirmation by the Company's tax consultant relating to possible tax risks.

The management and the contact persons named by them provided all explanations and evidence. In accordance with professional practice, the management confirmed in writing in a Company Letter of Representation dated 28 April 2022 that the accounting records and the Financial Statements as of 31 March 2022 included all assets, liabilities (obligations, risks, etc.), accruals, expenses and income as reflected on the balance sheet, all required disclosures were made, and all existing contingent liabilities were made known to us. According to management's statements, as of 31 March 2022, in accordance with our audit findings, there were no other obligations or contingent liabilities requiring disclosure other than those reported in the balance sheet or in the notes to the Financial Statements.

In this report, management has further stated that the Management Report also contains, with regards to expected developments, all aspects essential for the assessment of the situation of the Company as well as the disclosures required pursuant to § 289 HGB. The management also reported that no material transactions had taken place after the end of the financial year, and no such transactions were identified in the course of our audit.

4 Findings and explanations regarding the accounting

4.1 Conformity of the Financial Statements with legal requirements

4.1.1 Accounting records and other documents audited

The Company's business transactions are recorded completely, consecutively, and on a timely basis. The chart of accounts is clear and well-arranged. The vouchers are orderly and conclusive.

In our opinion, the accounting and additionally audited records comply with statutory provisions, the generally accepted accounting principles and the supplementary provisions of the articles of association throughout the financial year. In our opinion, the information included in the other documents examined by us led to a proper presentation in the Company's accounting records, the Financial Statements and the Management Report.

The internal control system established by the Company for accounting purposes is consistent with the business purpose and the scope of business is adequately regulated with regards to the organisation and control of processes.

The accounting-relevant data was recorded using the financial accounting software „DATEV pro" issued by DATEV eG, Nuremberg. For the software used by the Company, there exists a software certificate pursuant to IDW AuS 880 issued by the auditing company Ernst & Young GmbH, Munich, dating from 28th March 2021. According to this certificate, the software complies with the generally accepted accounting principles and allows for accounting procedures in accordance with these principles. In the course of our audit, we did not detect any issues that negate this finding. The additionally used accounting software constitutes a simple IT-system. We therefore abstained from a detailed system audit.

4.1.2 Financial Statements

Based on our audit, we state that the Financial Statements appended as Appendices 1.1 to 1.3

- were properly deduced from the inventory, the accounting and other audited records,
- complied with the principles of recognition, presentation and measurement, including the generally accepted standards on accounting, as well as with the supplementary provisions of the Shareholder's Agreement. We state that the principle of consistency stated in § 252 para. 1 No. 6 HGB was adhered to.
- the notes to the Financial Statements comply with the legal requirements in Germany and include all necessary presentations, classifications, explanations, and justifications with regard to the evidence, preparation of the balance sheet, and the appraisal of the individual items of the balance sheet and the profit and loss statement as well as the other necessary information. Exemptions for medium-sized companies were applied appropriately.

Pursuant to § 286 para. 4 HGB, the Company has abstained from declaring the remuneration of the board members. We confirm that the Company complies with the legal requirements necessary to claim this exemption.

4.1.3 Management Report

The Management Report for the financial year 2021/2022 includes all required components pursuant to § 289 HGB. Concerning the Management Report appended as Appendix 1.4 we have determined the following:

- Concordant with our findings, the business performance and the position of the Company are accurately portrayed; the Management Report is consistent with the Financial Statements and the findings of our audit.

- The Management Report complies with the statutory requirements.
- The Management Report gives a true and fair view of the Company's position.
- The Management Report accurately portrays the material risks and opportunities of future developments.

Please refer also to Appendix 1.4 for information about the Company's position from the management.

4.2 Overall picture conveyed by the Financial Statements

4.2.1 Economic background

The Company is operating in the area of information technology. It provides services in the areas of management consultancy and software development. Currently, it is solely providing services to Tata Consultancy Services Deutschland GmbH (TCS). These services are billed using the costplus-method.

4.2.2 Findings regarding the overall picture conveyed by the Financial Statements

In our opinion, based on the findings of our audit, the Financial Statements as of 31 March 2022, consisting of the balance sheet, income statement and the notes to the Financial Statements, provide an overall true and fair view of the Company's net assets, financial position and results of operations in accordance with the generally accepted accounting principles.

4.2.3 Measurement bases and grooming transactions

The Company retained the accounting and measurement methods used for the items of the balance sheet and the income statement of the previous year. In order to maintain continuity with the previous year, the accounting and measurement options were not exercised again.

For the presentation of the measurement bases and other transactions not included in the balance sheet, please refer to the notes to the Financial Statements provided by the management as appended in Appendix 1.3.

During our audit, we also found no evidence of one-sided application of margins of discretion for the purpose of a targeted manipulation of the results for the financial year or of grooming transactions taken which would have resulted in accounting differing from the economic situation.

4.3 Analysis of the Company's economic position

Because of the transparency of the annual Financial Statements and the additional explanations and breakdowns in the Management Report, we have abstained from explanations and breakdowns on items of the Financial Statements and an analysis of the assets, financial and profit situation in accordance with the order.

5 Reproduction of audit opinion and signature of audit report

Upon completion of our audit, we issued the following unqualified audit opinion for the balance sheet, statement of income and notes to the Financial Statements (appended as Appendices 1.1 to 1.3) as well as for the Management Report (appended as Appendix 1.4) for the financial year from 1 April 2021 to 31 March 2022 of Financial Statements of TCS Business Services GmbH, Düsseldorf, as of 31 March 2022:

Independent Auditor’s Report

To TCS Business Services GmbH, Düsseldorf:

Audit opinion

We have audited the annual Financial Statements of TCS Business Services GmbH, Düsseldorf, which comprise the balance sheet as of 31 March 2022, the statement of income and the notes to the Financial Statements. In addition, we have audited the Management Report of TCS Business Services GmbH, Düsseldorf, for the financial year from 1 April 2021 to 31 March 2022.

In our opinion, based on the knowledge obtained in the audit,

- the accompanying Financial Statements comply, in all material aspects, with the requirements of German commercial law as applicable to corporations and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Company as of 31 March 2022 and of its financial performance for the financial year from 1 April 2021 to 31 March 2022, and
- the accompanying Management Report as a whole provides an appropriate view of the Company’s position. In all material aspects, this Management Report is consistent with the Financial Statements, complies with German legal requirements and appropriately presents the opportunities and risks of future developments.

Pursuant to § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the Financial Statements and of the Management Report.

Basis for the audit opinion

We conducted our audit of the Financial Statements and of the Management Report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor’s Responsibilities for the Audit of the Financial Statements and of the Management Report" section of our auditor’s report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements and on the Management Report.

Responsibilities of the management for the Financial Statements and the Management Report

The management is responsible for the preparation of the Financial Statements that comply, in all material aspects, with the requirements of German commercial law as applicable to corporations and that the Financial Statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Company. In addition, the management are responsible for such internal controls as they have determined necessary to enable the preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, the management is responsible for assessing the Company’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matter related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the management is responsible for the preparation of the Management Report that, as a whole, provides an appropriate view of the Company’s position and is, in all material aspects, consistent with the Financial Statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future developments. In addition, the management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Management Report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Management Report.

Auditor’s Responsibilities for the Audit of the Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and whether the Management Report as a whole provides an appropriate view of the Company’s position and, in all material respects, is consistent with the Financial Statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future developments, as well as to issue an auditor’s report that includes our audit opinion on the Financial Statements and the Management Report.

Back to content

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably by expected to influence the economic decisions of users taken on the basis of these Financial Statements and this Management Report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the Financial Statements and of the Management Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the Financial Statements and of the arrangements and measures (systems) relevant to the audit of the Management Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of estimates made by the management and related disclosures.
- Conclude on the appropriateness of the management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Financial Statements and in the Management Report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements present the underlying transactions and events in a manner that the Financial Statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with the requirements of the German commercial law.
- Evaluate the consistency of the Management Report with the Financial Statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the management in the Management Report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

" The audit opinion was issued by the signatories of this audit report on 29 April 2022. IDW AuS 400 "Principles for audit opinions of Financial Statements" (n. v.) was observed in issuing the audit opinion.

We issue the above audit report on the Financial Statements and the Management Report as of 31 March 2022 of TCS Business Services GmbH, Düsseldorf, in compliance with the statutory regulations as well as IDW AuS 450 "Generally accepted standards for the issuance of long form audit reports for the audits of Financial Statements" (n. v.).

The audit report was signed as follows in accordance with § 321 (5) HGB and § 32 German Public Accountants Act:

Düsseldorf, 29 April 2022

NIEHAUSPARTNER Treuhand GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Enck
German Public Auditor
(Wirtschaftsprüfer)

Evers
German Public Auditor
(Wirtschaftsprüfer)

Balance Sheet

(EUR)

	As at March 31, 2022	As at March 31, 2021
ASSETS		
A. Fixed assets		
I. Tangible fixed assets		
1. Other equipment, operating and office equipment	**53,164.83**	78
2. Down-payments	**6,179.64**	-
	59,344.47	78
II. Long-term financial assets		
Securities kept as fixed assets	**6,000,000.00**	6,000
	6,059,344.47	6,078
B. Current assets		
I. Receivables and other assets		
1. Receivables for deliveries and services	**-**	363
2. Receivables from affiliated companies	**5,932,241.34**	3,245
3. Other assets	**41,651.91**	376
	5,973,893.25	3,984
II. Cash and bank balances	**814,267.65**	1,879
	6,788,160.90	5,863
C. Prepaid expenses	**108,726.26**	29
D. Asset excess resulting from the offsetting of assets with provisions	**63,368.79**	27
	13,019,600.42	11,996
EQUITY AND LIABLITIES		
A. Equity		
I. Subscribed capital	**25,000.00**	25
II. Accumulated profit brought forward	**783,399.73**	(4)
III. Net income	**329,528.03**	787
	1,137,927.76	808
B. Provisions		
1. Provisions for pensions and similar obligations	**7,523,652.96**	4,954
2. Tax provision	**485,653.00**	-
3. Other provisions	**3,520,304.28**	5,489
	11,529,610.24	10,443
C. Liabilities		
1. Trade payables	**12,827.89**	16
- of which residual maturity of up to one year: 12,827.89 EUR (Previous year: 16 kEUR)		
2. Liabilities to affiliated companies	**148,658.95**	-
3. Other liabilities	**190,575.58**	441
- of which taxes: 163,911.42 EUR (Previous year: 392 kEUR)		
- of which relating to social security and similar obligations: 0.00 EUR (Previous year: 0 kEUR)		
- of which residual maturity of up to one year: 190,575.58 EUR (Previous year: 441 kEUR)		
	352,062.42	456
D. Deferred tax liabilities	**-**	289
	13,019,600.42	11,996

Appendix 1.2

Income Statement

(EUR)

		Year ended March 31, 2022	Year ended March 31, 2021
1.	Sales	**17,527,395.53**	12,547
2.	Other operating income	**-**	-
	- of which generated from currency conversion: 0.00 EUR (Previous year: 0 kEUR)		
3.	Cost of materials:		
	a) Cost of purchased services	**336,861.36**	1
4.	Personnel expenses:		
	a) Wages and salaries	**10,964,060.97**	9,029
	b) Social security, post-employment and other employee benefit costs	**3,480,626.44**	450
	- of which post-employment:2,583,995.82 EUR (Previous year: -153 kEUR)		
		14,444,687.41	9,479
5.	Amortisation and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	**24,719.73**	21
6.	Other operating expenses	**1,590,175.96**	2,231
	- of which expenses from currency conversion: 24,723.97 EUR (Previous year: 6 kEUR)		
7.	Other interest and similar income	**247,599.96**	354
	- of which interest income from discounting provisions: 144,430.04 EUR (Previous year: 304 kEUR)		
8.	Other interest and similar expenses	**9,023.00**	-
9.	Taxes on income	**1,040,000.00**	382
	- of which expenses from increases to and dissolution of deferred taxes: 289,300.00 EUR (Previous year: -289 kEUR)		
10.	Result after tax	**329,528.03**	787
11.	Net income	**329,528.03**	787

Notes forming part of the Financial Statements

I. GENERAL INFORMATION ON THE COMPANY

The registered office TCS Business Services GmbH is in Düsseldorf. It is registered in the Commercial Register of the Local Court (Amtsgericht) in Düsseldorf under HRB 84792.

The Financial Statements were compiled in accordance with § 242 ff. and § 264 ff HGB as well as with the provisions of the Limited Liability Act (GmbHG).

II. GENERAL INFORMATION ON THE CONTENT AND PRESENTATION OF THE FINANCIAL STATEMENTS

The Company is a medium-sized Company within the meaning of § 267 (2) HGB.

The Financial Statements of TCS Business Services GmbH were compiled while maintaining the classification and valuation principles of the previous year in accordance with the legal requirements for medium-sized companies by the German Commercial Code (HGB). Additionally, the provisions of the Limited Liability Act (GmbHG) were adhered to. The income statement was prepared according to the nature of expense method.

III. ACCOUNTING POLICIES

The Financial Statements contain all assets, liabilities, deferred items, expenses and income in compliance with legal requirements. Items on the assets side were not offset with items from the liabilities side, expenses were not offset with income unless this was explicitly required pursuant to § 246 German Commercial Code.

The opening entries of the opening balance sheet were properly transferred from the previous years' statement. The valuation was based on the assumption of the Company's ability as a going concern. Assets and liabilities were valued individually.

Assets and liabilities were measured prudently, i.e. all foreseeable risks and losses which have occurred by the balance sheet date were taken into consideration, even if these only become known between the balance sheet date and the date of the preparation of the Financial Statements. Income was only recognized if it was realised ahead of the reporting date. Expenses and income of the financial year were recognized regardless of the date of payment.

Property, plant and equipment are measured at cost less scheduled straight-line depreciation and unscheduled impairment losses if permanent impairment is expected. Scheduled straightline depreciation is measured based on the estimated operating lifespan. Tangible assets have an estimated lifespan of four years.

Financial assets were measured at cost or at a lower market value in case of expected permanent impairment.

Receivables and other assets are measured at acquisition costs. Recognizable individual risks as well as the risks of receivables default are recognized through value adjustments. Cash and cash equivalents are measured at face value.

Expenditures/income before the balance sheet date, insofar as they constitute costs/revenue for a period following this date, are presented as deferred items.

Provisions made for uncertain liabilities regarding pension obligations were estimated based on prudent commercial assessment with their probable settlement value which also accounts for expected wage developments. Provisions were made based on the projected unit credit method (PUC). Calculations were based on the guideline tables 2018 G of Dr. Heubeck. Provisions were discounted based on the average market interest rate annual for the last ten years of 1.8 per cent (Previous year: 2.19 per cent). According to historical experience, pension adjustments of 1.65 per cent, wage adjustments of 3.0 per cent as well as a rise of the upper limit for social security expenses of 2.5 per cent were considered.

Profit effects resulting from changes in the applied actuarial interest rate were shown within the personnel costs.

Assets that solely serve for fulfilment of pension obligations and cannot be seized by any other creditors were measured at fair value (cover assets). Income and expenditures from these assets were netted with the expenses resulting from provisions compounding. Additionally, these assets were charged against their underlying obligations. As this yields an obligation surplus at the balance sheet date, the result is shown with the provisions for pensions.

Provisions for taxation and other provisions which are uncertain regarding their value and/or their date of occurrence were measured on the basis of prudent commercial assessment at the expected settlement amount for these uncertain liabilities.

Notes forming part of the Financial Statements

Current liabilities are reported with their repayment or settlement amount.

Assets and liabilities in foreign currencies with maturity dates of less than a year were measured based on the mean spot exchange rate of the balance sheet date. All other assets and liabilities were measured either at the exchange rate on the date of invoicing or the higher mean spot exchange rate of the balance sheet date.

Deferred taxes were recognized for amounts resulting from temporary differences between the amounts shown in the commercial balance sheet and the tax balance sheet if these differences are expected to scale down in the following fiscal years. An overall resulting tax burden is shown as deferred tax liabilities in the balance sheet. In case of an overall resulting tax relief, the company does not apply the optional capitalization pursuant to § 274 (1) sentence 2 German Commercial Code.

Pursuant to § 273 (1) sentence 3 German Commercial Code, deferred taxes are shown without offsetting.

IV. EXPLANATORY NOTES ON THE BALANCE SHEET

The developments of the individual items of the fixed assets are shown in the statement of movements in fixed assets (gross).

Receivables from affiliated companies result exclusively from receivables for deliveries and services.

Within the other assets, an amount of 26 kEUR (Previous year: 0 kEUR) has a maturity date of more than a year.

The asset difference resulting from the offsetting of assets is composed of 1,356 kEUR from provisions for long-time work accounts on the one hand and the fair value of the offset assets of 1,419 kEUR on the other hand. The acquisition costs of the offset assets amount to 1,316 kEUR.

The amounts barred from distribution pursuant to § 268 (8) German Commercial Code amount to 876 kEUR and are composed of 103 kEUR for covering of long-term work accounts and of 773 kEUR for covering pension obligations. The amounts barred from distribution therefore solely result from the capitalization of covering amounts at fair value.

From the discounting of provisions for pensions at the average market interest rate of the last ten years in comparison to the discounting at the average market interest rate of the last seven years results a difference of 2,047 kEUR. This difference is barred from distribution pursuant to § 253 (6) sentence 2 German Commercial Code.

The overall amount barred from distribution amounts therefore to 2,923 kEUR.

For netting liabilities from pension obligations with amounts for cover assets, the following amounts were determined:

Settlement amount of liabilities: 16,464 kEUR

Acquisition costs of the netted assets: 8,168 kEUR

Netted assets at fair value: 8,940 kEUR

Netted income: 215 kEUR

The amount at fair value results from the end of day stock market price for the securities of the cover assets on the balance sheet date and was measured on the basis of securities account statements.

Other provisions (3,520 kEUR) essentially comprise provisions for bonus payments (2,064 kEUR), anniversary bonuses (810 kEUR), vacation payments (258 kEUR) and for overdue receivables (142 kEUR).

As in the previous year, all liabilities will be due within one year.

Liabilities to affiliated companies comprise solely of trade payables.

Deferred tax balances for the financial year have developed as follows:

	At the beginning of the financial year	Change	At the end of the financial year
Deferred tax assets	**2.471.600,00**	**717.500,00**	3.189.100,00
Deferred tax liabilities	**2.760.900,00**	**-185.500,00**	2.575.400,00

Notes forming part of the Financial Statements

V. EXPLANATORY NOTES ON THE INCOME STATEMENT

The amount of other interest and similar income contains expenses resulting from provisions compounding for pension obligations in the amount of 291 kEUR (Previous year: 229 kEUR).

The transition from net income to net profit is calculated as follows:

	Net income	**330 kEUR**
+	Accumulated profit brought forward	**783 kEUR**
=	Net profit	**1,113 kEUR**

VI. OTHER DISCLOSURES

Other financial obligations

As of 31 March 2022, the other financial obligations amount to 1,760 kEUR.

Members of the Company's executive bodies

During the financial year, the Company's business activities were managed by the following individuals:

Sapthagiri Chapalapalli

Pradeep Gaitonde

Mr. Sapthagiri Chapalapalli is responsible for Sales and Mr. Pradeep Gaitonde is responsible for Accounting and Finance. Mr. Sapthagiri Chapalapalli is employed by Tata Consultancy Services Deutschland and Mr. Pradeep Gaitonde is employed by Tata Consultancy Services Limited, India.

The Company made use of the protection clause pursuant to § 286 (4) German Commercial Code.

Average number of employees during the financial year

The total average number of employees amounts to 115 (Previous year: 116). The Company has only salaried employees.

Parent company

Tata Consultancy Services Limited, Mumbai, India, prepares the consolidated financial statement for the smallest group of companies and Tata Sons Limited, Mumbai, India, prepares the consolidated financial statements for the largest group of companies, into which Tata Consultancy Services Deutschland GmbH is respectively included.

The consolidated financial statements can be obtained from Bombay House, Mumbai, India.

The consolidated financial statements of Tata Consultancy Services Limited, Mumbai, India, are published unter the register number 11-84781 and the consolidated financial statements of Tata Sons Limited, Mumbai, India, are published under the register number 478.

Düsseldorf, 29 April 2022

S. Chapalapalli	P. Gaitonde
(Managing Director)	(Managing Director)

STATEMENT OF MOVEMENTS IN FIXED ASSETS (GROSS) AS OF 31 MARCH 2022

	Costs	Additions	Disposals	Reclassifications	Costs	Accumulated amortization, depreciation and writedowns	Disposals	Amortization, depreciation and writedowns during the financial year	Accumulated amortization, depreciation and writedowns	Book value	Book value
	01.04.2021				31.03.2022	01.04.2021			31.03.2022	31.03.2022	31.03.2021
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Tangible fixed assets											
1. Other equipment, operating and office equipment	98,878.92	-	-	-	98,878.92	20,994.36	-	24,719.73	45,714.09	53,164.83	77,884.56
2. Down-payments	-	6,179.64	-	-	6,179.64	-	-	-	-	6,179.64	-
Tangible fixed assets	**98,878.92**	**6,179.64**	**-**	**-**	**105,058.56**	**20,994.36**	**-**	**24,719.73**	**45,714.09**	**59,344.47**	**77,884.56**
II. Long-term financial assets											
Securities kept as fixed assets	6,000,000.00	-	-	-	6,000,000.00	-	-	-	-	6,000,000.00	6,000,000.00
Financial assets	**6,000,000.00**	**-**	**-**	**-**	**6,000,000.00**	**-**	**-**	**-**	**-**	**6,000,000.00**	**6,000,000.00**
	6,098,878.92	**6,179.64**	**-**	**-**	**6,105,058.56**	**20,994.36**	**-**	**24,719.73**	**45,714.09**	**6,059,344.47**	**6,077,884.56**

Management report for the business

I. COMPANY PROFILE

1. Business Model

The company operates in the information technology market. It provides services in the field of management consultancy and software development. It currently provides services exclusively to Tata Consultancy Services Deutschland GmbH (TCS), which is invoiced using the cost-plus method.

2. Human Resources

The number of employees of the Company decreased from an average of 116 in fiscal year 2020/2021 to an average of 115 in fiscal year 2021/2022. The Company employs all of its employees in Germany, of which 91 are located in Düsseldorf and 24 in Berlin. The costs of the employees, together with all other costs of the Company, are charged in full to TATA Consultancy Services Deutschland GmbH at a mark-up of 7% (cost-plus method).

II. ECONOMIC REPORT

1. General economic conditions and industry environment

The German economy was still affected by the COVID 19 pandemic in 2021. After economic output grew again in the summer of 2021 despite increasing supply and material bottlenecks, the recovery was slowed down again by the fourth Corona wave and the associated renewed tightening of protective measures. According to the German Federal Statistical Office, gross domestic product increased by 2.9% in 2021. Compared with the quarter before the start of the Corona crisis, Q4 2019, GDP was 1.1% lower in Q4 2021.

The growth momentum of the IT market in Germany improved significantly in 2021. Based on Bitkom data, the IT market grew by 6.3% in 2021, compared with 1.3% in the previous year. The individual sub-segments recorded the following growth rates in 2021: IT hardware 8.3% (previous year: 3.1%), software 8.0% (previous year: 5.1%), IT services 3.7% (previous year: -2.4%).

2. Business Performance

Revenues for the financial year developed at variance with the market and increased by T€ 4,980 to T€ 17,527 compared to the financial year 2020/2021. Due to the cost-plus method, revenues are significantly dependent on the costs incurred in TCS Business Services GmbH. The costs have progressed in accordance with the order position, so that the calculation of a fixed mark up on costs results in an increased pre-tax profit for the year. This increased from T€ 1,169 to T€ 1,370. Our key financial performance indicators - revenue and pre-tax profit - therefore developed positively in 2021/2022.

Due to an expected higher order situation and the associated higher personnel expenses and cost of materials, higher sales revenues were projected, which have materialised. The fact that the net profit for the year was lower than in the previous year is mainly due to higher tax expenses.

Overall, the forecast for the financial year 2021/2022 was achieved. Management is therefore satisfied with the course of the financial year.

3. Assets, liabilities, financial situation and financial performance

Financial performance

Sales revenues increased from T€ 12,548 to T€ 17,527. Due to the cost-plus method used, it is not possible to analyse sales revenues by product and/or region. Rather, the increase is mainly due to higher personnel expenses and material costs. In addition, the net profit for the year is mainly influenced by higher tax expenses.

(EUR)

	As at March 31, 2022	As at March 31, 2021
Earnings after taxes	**330**	787

Management report for the business

The development of the main types of expenses in relation to total output is shown below:

	01.04.2021 – 31.03.2022	01.04.2020 – 31.03.2021
	%	**%**
Cost of purchased services	2	**0**
Personnel expenses	82	**76**
Other operating expenses	9	**18**

The cost of purchased services mainly relates to services provided by affiliated companies.

Financial position

Cash and cash equivalents have decreased from T€ 1,879 to T€ 814 compared to 31 March 2021, which is mainly due to the cash flow from operating activities. This has decreased significantly due to increase in receivables from affiliated companies. In the year under review, the Company was in a position to meet its payment obligations at all times.

All liabilities and provisions (with the exception of pension provisions) have a short-term maturity. Their share of the balance sheet total is 33.5%.

The company shows positive net current assets of T€ 2,404 (previous year: T€ -82). Net current assets consist of, cash and cash equivalents, current receivables and other current assets less current provisions and liabilities.

Assets and liabilities

Assets increased from T€ 11,996 to T€ 13,020 compared to 31 March 2021, mainly due to the increase in receivables from affiliated companies.

The range of trade receivables (receivables * 360 / sales revenue) increased from 104 days in the previous year to 123 days in the current financial year. Management does not see any impairment risks, as the trade receivables are exclusively due from a solvent sister company.

Equity increased by T€ 330 to T€ 1,138 compared to 31 March 2021. The equity ratio is 8.7% (previous year: 6.7%). The improvement in the equity ratio results from the net profit for the year.

Provisions (T€ 11,530) mainly include provisions for pensions (T€ 7,524), bonus payments (T€ 2,064), anniversary payments (T€ 810), holidays (T€ 258), outstanding invoices (T€ 142) and tax provisions (T€ 486).

The reduction of T€ 250 in other liabilities compared to the previous year is mainly due to VAT liabilities that were not due until the following month were already paid in March 2022.

The company's business performance was positive overall and had a corresponding effect on the company's net assets, financial situation and results of operations. This development also continued up to the time of the preparation of this management report.

III. FORECAST, OPPORTUNITIES AND RISKS

1. Forecast

Expected general economic conditions and industry environment

The war in Ukraine is placing new burdens on the global economy. Higher raw material prices will further fuel inflation, which has already risen sharply. It is also to be expected that the sanctions will lead to supply bottlenecks, which will again inhibit production more strongly in the coming months. However, the Kiel Institute for the World Economy (IfW) also sees considerable economic buoyancy due to the increasingly diminishing impact of the COVID-19 pandemic on the global economy. However, uncertainties remain, especially if measures to contain the omicron variant should significantly affect production in China. In its spring forecast, the IfW expects the global economy to grow by 3.5 percent this year and by 3.6 percent in 2023. However, the forecast is marked by great uncertainty, as the extent and duration of the impact of the war in Ukraine on the global economy can hardly be predicted.

Management report for the business

The IfW has also scaled back its forecasts for the euro zone compared with the previous year and expects gross domestic product to grow by only 2.8 percent in 2022. Growth of 3.1 percent is forecast for 2023.

The war in Ukraine is also impacting the German economy through high raw material prices, new supply bottlenecks and lost sales opportunities. High commodity prices are also reducing the purchasing power of disposable incomes and thus private consumption. This development will be cushioned by the high pent-up purchasing power of private households due to the COVID 19 pandemic and by record order backlogs in industry. The IfW therefore expects the economic recovery to continue this year, albeit at a much slower pace than expected in the winter. For the current year, the IfW forecasts an increase in gross domestic product of 2.1 percent and for 2023 of 3.5 percent.

The economic consequences of the war have also measurably clouded the business climate in the digital industry. According to the digital association bitkom, the Bitkom-ifo Digital Index, which is based on the monthly ifo economic survey and is calculated from the assessment of the business situation and business expectations, fell by 13.1 points to 16.8 points. However, employment expectations do not reflect the gloomy mood. The vast majority of companies intend to hire additional workers in the next three months. Contrary to the general trend for digital goods and services, inflation is also expected to rise only moderately.

Outlook for the company

All risks are borne by TCS in view of the cost-plus invoicing procedure. The development of the company is therefore largely dependent on the development of its costs and the development of TCS. The forecast for TCS is therefore discussed below:

The COVID 19 pandemic continues to have a global impact. The emerging developments and the economic consequences for TCS are regularly being examined. Due to the uncertainties associated with the pandemic, a conclusive assessment of the impact and effects on future revenue streams is not possible for TCS. However, TCS management believes that it can realign its operating levers to act in a financially prudent manner during the ongoing pandemic situation.

To achieve growth above the industry average, for TCS in the financial year 2022/23 and in subsequent years, the management plans to position its services and solutions with new customers and to develop new business areas with existing customers within the framework mentioned above. In Germany, investments were made in the TCS Enterprise Cloud and in digital services. Both areas offer significant opportunities for the company to develop new services and solutions. TCS plans to continue to target the SME segment in Germany, which has proven successful and will be further expanded.

Based on the current forecasts for the company, we expect moderate annual sales growth with a corresponding increase in net income for the year 2022/2023 for our key performance indicators of revenue and earnings before taxes.

2. Risk report

Industry-specific risks

Here, too, reference is made to the risks of TCS. In general, the willingness of customers to invest is influenced, among other things, by the overall economic development in the respective countries or in Europe as a whole as well as the confidence in a positive economic trend. As TCS generates the majority of its revenue in Germany, the development of the German economy is decisive for the growth of TCS in the current COVID 19 scenario described above. According to current visibility, TCS assesses the risk as low.

Income-related risks

Due to the cost-plus procedure, no significant risks are envisaged here.

Financial risks

Foreign currency risks arise in particular from the conclusion of transactions in US dollars and other foreign currencies. A weakening of the dollar or other foreign currencies against the euro could therefore lead to foreign currency losses. The risk is considered low.

Management report for the business

Reference is made again to the financial risks of TCS:

In TCS, default and liquidity risks are limited by the selection of customers and close cooperation in payment transactions between sales and administration within the framework of a functioning dunning system. TCS has a solvent and creditworthy customer base. Bad debts are an absolute exception. In addition, there is a long-standing cooperation with most customers. In the current, ongoing COVID 19 situation, the TCS management regularly monitors the outstanding accounts with special attention to customers who may have run into financial difficulties. In this respect, we consider the financial risk of a liquidity shortage, in particular due to possible late payments to us by our sister company TCS, to be low.

Management has not identified any risks that cast significant doubt on the Company's ability to continue as going concern.

3. Opportunities

Projections of TCS regarding the opportunities are again used here for the opportunities report:

TCS' ability to generate growth and maintain economic momentum is linked to its ability to consistently meet customers' ever-changing business needs and help them transform by deploying new digital technologies in their businesses. TCS Enterprise Cloud and Digital Services & Solutions continue to offer significant growth opportunities in the market. Significant investments have been made to further develop these services. In addition, new business areas are being developed, expanded and marketed to both existing and new customers (including German SMEs). Based on current visibility (taking the COVID- 19 situation into account), TCS assesses the opportunities as medium.

Frankfurt am Main, 29 April 2022

S. Chapalapalli	Pradeep Gaitonde
(Managing Director)	(Managing Director)

TCS Technology Solutions AG, Bonn

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGMENT REPORT

For the financial year ended December 31, 2021

The English language text below is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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List of appendices

1. AUDIT ENGAGEMENT

By resolution of the general shareholders' meeting on 31 august 2021 of

TCS Technology solutions AG, Bonn,

(Previously Post-bank systems AG)

(Hereinafter also referred to as 'TCS TS' or "Company")

We, Grant Thornton AG Wirtschaftsprufungsgesellschaft, have been elected as auditor for the financial year 2021. The supervisory board appointed us to audit the annual financial statements together with the bookkeeping system and the management report for the financial year from 1 January 2021 to 31 December 2021.

Pursuant to section 316 paragraph 1HGB (Handelsgesetzbuch: German commercial code) our audit is statutory audit as required by sections 316 et seq HGB.

Pursuant to section 321 paragraph 4a HGB we confirm that we observed the applicable regulations on auditor's independence in our audit.

We have prepared the following report on the results of our audit. The long-form audit report has been prepared in accordance with section 321 HGB and generally accepted standards for preparing long-form audit reports in accordance with IDW AuS (IDW Auditing standard) 450(revised) ("IDW PS 450 n.F.").

Our report is addressed to TCS Technology Solutions AG.

Execution of our engagement and our responsibility, also in relation to third parties, are governed by the General Engagement Terms for wirstschaftsprufer and wirtschaftsprufungsgesellschaften (German Public Auditors and Audit firms) as of 1 January 2017 (see Appendix 5). The extent of our liability is determined by section 323 paragraph 2 HGB in relation to third parties number 1 section 2 and number 9 of these General Engagement Terms are decisive.

2 BASIC FINDINGS

2.1 Statement on the assessment of the company's economic situation by the Executive Directors

The following statements contained in the management report prepared by the Company's executive Executive Directors are from our point of views of particular importance of the assessment of the company's economic position and future development with its material opportunities and risks:

Economic position and business performance:

1. TCS-TS was part of Deutsch Bank Group until end of 2020 and taken over by TCS NL on 1 January 2021. (...) Personal capacities of the company that will increasingly become available in the future due to contractual agreements with Deutsch Bank Group must be utilized- by providing services to customers and industries.For this purpose, the company underwent a reorganization in financial year 2021 and as of the end of the same now offers customer and industry-specific IT services on the market through newly established delivery centres.

2. With the new business model it has been possible to significantly reduce the extent of previously used external consulting services while performance and sales developed, and to substitute them with services of affiliated companies of TCS NL.(...) The increased utilization of TCS-TS's existing personnel capacities in Germany together with personnel capacities of associated companies of TCS NL will enable the Company to operate on the market at competitive conditions and to sustainably generate profitable revenues at the same time.

3. The balance sheet total decreased by EUR 144.9 million to EUR 135.2 million (...)The decrease mainly stems from the payment of liabilities in the amount of EUR 94.9 million to the former shareholder from the profit transfer in 2020, which were reported as other liabilities in the previous year, and the net loss for the financial year in the amount of EUR 39.0 Million. This led to a significant year-on-year decrease in bank credit balances.

4. As of the balance sheet date, the Company reported a high equity ratio of 67.9% While equity amounted to EUR 91.7 million, cash and cash equivalents amount to just under EUR 71.1 million on the assets side.

5. Financial year 2021 closes with a net loss for the financial year in the amount of EUR 39.0 million (previous year, profit before profit transfer: EUR 95 million). A negative result had been expected for 2021 due to integration costs and the establishment of the new business model. The personnel capacities freed up in the course of the realignment of the business model could not yet be deployed in third-party business, or at least not yet to the planned extent, as the development of new business in 2021 was delayed.

6. Summed up, however, the targets outlined in the report for the previous year regarding expected developments were achieved in financial year 2021. (...) The Company's net assets and financial position have deteriorated to the extent planned due to the transformation that has been initiated, but they are still to be rated as good.

These key statements on the economic position and on the business performance have been sufficiently described in the management report. For further details we therefore refer to the management report, which is attached to this report as Appendix 3 and as an English translation in Appendix 4.

Future development with its material opportunities and risks

1. Based on corporate planning, we expect revenue to show a slight increase in 2022 compared to 2021, with a significant uptake of the new customer business share.
2. With other expenses and costs expected to report a slight downturn, the Company expects to break even on the Earnings Before Interest and Taxes (EBIT) in 2022. Thus, avoiding another net loss for the financial year is deemed possible.
3. Against the backdrop of the new business model, the liquidity trend is expected to improve significantly compared to 2021, with EBIT breaking even, the expansion of new customer business would lead to (...) improvement in the working capital to be levels targeted by the Company.
4. The successful cooperation with new customers already acquired in financial year 2021 offers further opportunities for the expansion of business relationships in 2022. Demand for IT expertise remains high, as many companies are driving digitalization and IT professionals are in high demand.
5. Due to the low number of significant risks, the Company's risk situation was permanently normal and all risks were managed effectively. New risks may arise in 2022 as a result of the adjustment of the business model following the takeover of the Company by TCS NL due to ongoing integration efforts, but these risks will continue to managed.

These key statements on opportunities and risks of the future development of the Company have been sufficiently described in the management report. For further details we therefore refer to the management report, which is attached to this report as Appendix 3.

Summarized assessment

On the basis of the assessment of the economic position of the Company which we have been able to derive from the knowledge obtained in our audit of the annual financial statements and the management report, we have come to the assessment that the Executive Directors presentation and assessment of the position of the Company, in particular regarding the going concern and the future development of the company with its material opportunities and risks reflected on the annual financial statements and in the management report is appropriate.

2.2 Other Irregularities

Within our audit, we identified the following non-compliance with other legal requirements.

- Contrary to Section 76 (2) of the German Stock Corporation Act (AktG) and the requirements of Section 6 (1) of the company's Articles of Association, the Executive Board had no members in the period from January 1 to January12, 2021. Three new members of the Executive Board were appointed at the Supervisory Board meeting on January 12, 2021.
- Contrary to Section 95 of the German Stock Corporation Act (AktG) and the requirement of Section 7 (1) of the company's Articles of Association, the Supervisory Board consisted of only two members in the period from January 1 to January 8, 2021. According to the Articles of Association, the Supervisory Board consists of six members. A further four Supervisory Board members were elected at the Extraordinary General Meeting on January 8, 2021.
- The report on equality and equal pay, which the Company was required to prepare for the first time as part of the preparation of the 2020 management report in accordance with Section 21 of the German Equal pay Act (EntgTranspG) and which, in accordance with Section 22 (4) of the German Equal Pay Act (EntgTranspG), was to be attached as an appendix to the next management report for publication purposes in accordance with Section 289 of the German commercial Code (HGB), was not prepared. In the reporting year, the Executive Board again failed to prepare the report on equal opportunities and equal pay.
- As a stock corporation, the company generally employs more than 500 employees, so that pursuant to Sec1 (1) No.1 One-Third Participation Act (DrittelbG) the employees have a right of co-determination on the supervisory Board in accordance with the provisions of the One-Third Prticipation Act. Accordingly, the Executive Board of the Company is

required under Section 76 (4) AktG to set targets for the proportion of women at the two management levels below the Executive Board. The targets must describe the targeted proportion of women at the respective management level and, if expressed as a percentage, must correspond to the full number of persons. At the same time, dead lines must be set for achieving the defined targets. Contrary to the statutory requirements,the Executive board did not set the corresponding targets for the proportion of women either in the previous year or in the reporting period.

- The Supervisory Board of the Company has furthermore not specified a proportion of women either for the Supervisory board or for the Executive board of the Company, contrary to the requirements of Section111 (5) AktG.

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3. Reproduction of the Auditor's Report

Audit Opinions

We have audited the annual financial statements of TCS Technology Solutions AG (Formerly Post-bank Systems AG), Bonn, which comprises the balance sheet as at 31 December2021, and statements of profit and loss for the financial year from 1 January 2021 to 31 December 2021, and notes to the financial statements including the presentation of the recognition and measurement policies. In addition, we have audited the management report of TCS Technology solutions AG, Bonn, for the financial year from 1 January 2021 to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to section 289f paragraph 4 HGB (Handelsgesetzbuch: German Commercial code) (disclosures on the quota for women on executive boards).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its financial performance for the financial year from1 January 2021 to 31 December 2021, in accordance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the statement on corporate governance statement referred to above.

Pursuant to Section 322 paragraph 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements and on the management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to Section 289f paragraph 4 HGB (disclosures on the quota for women on executive boards).

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of a management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by executive directors and the reasonableness of estimates made by executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial

statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

4 SUBJECT, NATURE AND EXTENT OF THE AUDIT

4.1 Subject of the audit

Subject of our audit were the annual financial statements of TCS Technology Solutions AG-which comprise the balance sheet as at 31 December 2021, the statement of profit and loss for the financial year from 1 January 2021 to 31 December 2021, and the notes to the annual financial statements, including the presentation of the recognition and measurement policies-together with the bookkeeping system and the management report of the Company for the financial year from 1 January 2021 to 31 December 2021.

The annual financial statements and the management report have been prepared on the basis of the German commercial law applicable to business corporations including the relevant regulations of the Aktg (Aktiengesetz: German Stock Corporation Act).

Regarding the responsibilities of the Executive Directors and of the Supervisory board of the Company related to the preparation of the annual financial statements and the management report respectively to the overseeing of the Company's financial reporting process for the preparation of the annual financial statements and the management report we refer to the explanations given in our auditor's report which is reproduced in section 3 of this report. The responsibility of the Executive Directors also comprises responsibility for the Company's bookkeeping.

Our objective is to assess the annual financial statements including the bookkeeping and the management report as well as the disclosures made within the course of an audit performed in compliance with German Generally Accepted Standards for Financial Statement Audits. Our respective responsibilities are explained in the section"Audit opinions" in connection with the section "Other information" and in the section "Auditor's responsibilities for the audit of the annual financial statements and of the management report"of our auditor's report.

Pursuant to section 317 paragraph 2 clause 6HGB and audit of the disclosures made pursuant to section 289f paragraph 4HG B(statement on corporate governance with the disclosures on the quota for women on executive boards) was limited to verifying whether the disclosures were made.

The report concerning equality and equal remuneration (remuneration report), which has to be prepared in accordance with section 21 EntgTranspG (Entgelttransparenzgesetz: German law promoting transparency of remuneration) and which according to section 22 paragraph 4 EntgTranspG for publication purposes has to be attached as appendix to the management report prepared pursuant to section 289 HGB and to published in the Federal Gazette, was not within the scope of our audit.

The audit of compliance with other regulations is only relevant to the audit of financial statements insofar as these regulations normally have an impact on the annual financial statements or the management report.

According to section 317 paragraph 4a HGB, and examination as to whether the ability of the Company as a going concern or whether the effectiveness and efficiency of the Company's management can be guaranteed is not required to be included in the audit.

4.2 Nature and extent of audit

We conducted our audit in accordance with section 317 HGB and in compliance with German Generally Accepted standards for Financial Statement Audit promulgated by the institut der Wirtschaftsprufer in Deutschland e.V. (Institute of Public Auditors in Germany) (IDW).

Regarding the objectives of our audit and the essential principles of conducting our audit we refer to the explanations given in the section "Auditor's responsibilities for the audit of the annual financial statements and of the management report" of our auditor's report.

The audit was planned and preformed by taking a risk-oriented approach. Based on this approach, we derived the nature and extent of the audit procedures to be preformed from several criteria.

Within our risk-oriented approach we assessed the risk of material misstatements on the accounting due to fraud and error (=misstatement risk.) The assessment of these risks was based on an analysis of the environment of the Company (in particular industry specific factors) and management representations on significant corporate aims and strategies an on business risks (client specific factors). Furthermore, our preliminary assessment of the Company's position and the general assessment of the accounting-related internal control system were considered in our risk assessment.

Based on the risk assessment,we determined the following critical assertions and matters:

- **Occurrence of revenues**

Our audit plan determining nature, timing and extent of our audit procedures was designed to address these critical assertions and matters. Within this, both tests of controls of the internal control system-when relying on the effectiveness of the internal control system in order to determine substantive audit procedures or when required- and substantive audit procedures including tests of detail and analytical procedures have been performed. Both tests of controls and tests of details were performed alternatively on the basis of testing every item, audit sampling or the selection of specific items.

Starting point for our audit were the annual financial statements and management report for the prior financial year from 1 January 2020 to 31 December 2020, on which Ernst and young GmbH Wirtschaftsprufungsgesellschaft issued unqualified audit opinions and which were approved by the supervisory board on 30 July 2021.

With regard to the opening balances we have examined whether they have been correctly brought forward from the previous financial year's annual financial statements. In accordance with IDW AuS 205 we have performed additional audit procedures to obtain sufficient audit evidence that the opening balances not audited by us did not contain any misstatements that materially affect the annual financial statements subject to audit. We obtained audit evidence for assessing the opening balances from the review of the long-form audit report issued by the predecessor auditor.

As part of our tests of details of trade receivables we obtained confirmations of balances from customers. The selection of the items to be tested was based on our risk assessment, the evaluation of the accounting- related internal control system as well as the nature and extent of the transaction subject to audit by the selection of specific items.

As part of our tests of details we have obtained confirmations on bank deposits, claims and obligations from credit institutions. Regarding litigations and claims involving the company we obtained confirmations from external legal counsels of the Company.

In assessing the measurement of the provisions for pensions we used the results of the actuarial reports issued by independent experts as commissioned by the company.

We performed our audit work with interruptions from September 2021 to 31 March 2022.

The Executive Directors and named contact persons provided us with all explanations and supporting documents requested. The executive Directors confirmed in writing the completeness of the annual financial statements and the management report presented to us.

5 FINDINGS AND EXPLANATIONS ON THE FINANCIAL REPORTING

5.1 Compliance of the financial reporting

5.1.1 Bookkeeping and other audited documents

The Company's books and record are maintained in a proper manner.

In our opinion, on the basis of the knowledge obtained in the audit, the bookkeeping and the other audited documents comply, in all material respects, with the statutory provisions and with the German Legally Required Accounting Principles throughout the reporting period; the information drawn from the other audited documents are, in all material respects, properly reflected in the books and records, the annual financial statements and the management report.

5.1.2 Annual financial statements

In our opinion, on the basis of the knowledge obtained in our audit, the annual financial statements of TCS Technology Solutions AG for the financial year from1 January 2021 to 31 December 2021 attached to this report as Appendix 1 comply, in all material respects, with the requirements of German commercial law applicable to business corporations including applicable regulations of the AktG.

In our opinion, on the basis of the knowledge obtained in our audit

- the balance sheet and the statement of profit and loss were duly derived from the books and records and from the further audited documents,
- in all material respects, the legal requirements regarding classifications, recognition and measurement have been observed, and
- in all material respects, the disclosures made in the notes to the financial statements are complete and accurate.

5.1.3 Management report

In our opinion, on the basis of the knowledge obtained in our audit, the management report of TCS Technology Solutions AG for the financial year from 1 January 2021 to 31 December 2021 attached to this report as Appendix 3 complies, in all material respects, with the legal requirements.

Regarding further details of our audit opinion on the management report.

5.2 Overall financial statements presentation

5.2.1 Statement on the overall financial statements presentation

In our opinion, on the basis of the knowledge obtained in our audit, the annual financial statements of TCS Technology Solutions AG, audited by us and attached to this report as Appendix 1, give a true and fair view of its assets, liabilities, financial position as at 31 December 2021 and of its financial performance for the financial year from 1 January 2021 to 31 December 2021 in compliance with German Legally Required Accounting Principles.

5.2.2 Valuation principles and transactions with a significant impact

5.2.2.1 Material valuation principles

The recognition and measurement methods and further material valuation are presented in Appendix 1. Compared with the prior year, no changes of recognition and measurement methods were made.

5.2.2.2 Transactions with a significant impact

Transactions not included in the balance sheet (off-balance-sheet transactions) with significant impact on the overall presentation of the annual financial statements are presented in the notes to the annual financial statements (Appendix1). In our assessment, on the basis of the knowledge obtained in our audit, beyond these transactions the following matters are of particular importance for the overall presentation of the annual financial statements:

- As part of liquidity management, cash and cash equivalents in the amount of EUR 30,000 thousand were invested as term deposits for a term of 12 months in January 2021. Due to this term, the time deposit is reported under other assets as of the balance sheet date. It is measured at nominal value.

6 CONCLUDING REMARKS

Key audit partner in terms of the German professional Statute for German public accountants and German sworn auditors (Berufssatzung WP/vBP) are WP Ralf Clemens-being primarily responsible for the engagement (engagement partner)-and WP Cornelia Von Oertzen as additionally responsible key audit partner.

We provide this report concerning the audit of the annual financial statements and the management report of TCS Technology Solutions AG, Bonn, for the financial year from 1 January 2021 to 31 December 2021 in accordance with the legal requirements and the generally accepted standards for preparing long-form audit reports (IDW AuS 450(revised)).

The auditor's report issued by us is repeated in section 3 of this report.

Düsseldorf,31 March 2022

Grant Thornton AG

Wirtschaftsprufungsgesellschaft
[Original German version signed by:]

Cornelia Von Oertzen	Ralf Clemens
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

Appendix 2

Balance sheet as of December 31, 2021

(EUR)

ASSETS	Dec. 31, 2021	Dec. 31, 2020
A. Fixed assets	**€**	€
I. Intangible assets		
Acquired concessions, industrial property rights and similar rights and assets, as well as licences insuch rights and assets	**14,06,657.05**	26,80,543.11
	14,06,657.05	26,80,543.11
II. Tangible Assets		
1. Technical equipment and machinery	**69,76,523.00**	1,08,66,087.00
2. Other equipment, factory and office equipment	**10,03,621.00**	12,38,578.00
	79,80,144.00	1,21,04,665.00
	93,86,801.05	1,47,85,208.11
B. Current assets		
I. Inventories		
Raw materials and supplies	**92,246.29**	92,246.29
II. Receivables and other assets		
1. Trade receivables	**2,26,47,499.11**	92,246.29
2. Receivables from affiliated companies	**26,50,017.74**	98,401.21
3. Other assets	**3,22,07,570.58**	7,22,061.16
III. Cash at bank	**4,10,53,043.38**	20,84,73,570.03
	9,86,50,377.10	20,93,86,278.69
C. Prepaid expenses	**92,84,821.79**	1,94,41,021.24
D. Difference from offsetting assets	**1,78,32,839.50**	3,65,13,713.38
	13,51,54,839.44	28,01,26,221.42

EQUITY & LIABILITIES	Dec. 31, 2021	Dec. 31, 2020
A. Equity	**€**	€
I, Share capital	**32,50,000.00**	32,50,000.00
II, Capital reserve	**11,89,22,728.71**	11,89,22,728.71
III, Retained profits brought forward	**85,97,518.98**	85,97,518.98
IV, Loss for the period	**-3,90,47,275.29**	0.00
	9,17,22,972.40	13,07,70,247.69
B, Provisions		
1, Provisions for taxes	**10,21,429.85**	0.00
2, Other provisions	**2,55,11,272.54**	3,21,13,869.04
	2,65,32,702.39	3,21,13,869.04
C, Liabilities		
1, Trade payables	**64,74,778.50**	1,50,27,064.94
(Thereof with a maturity of up to one year € 6,474,778,50; prior year k€ 15,027)	**1,04,24,386.15**	10,22,15,039.75
2 Other liabilities	**1,68,99,164.65**	11,72,42,104.69
(Thereof from taxes € 9,848,863,90; prior year k€ 2,305) (thereof with a maturity of up to one year € 10,424,386,15; prior year k€ 102,215)		
	16,899,164.65	117,242,104,69
	13,51,54,839.44	28,01,26,221.42

Profit and Loss Account for the Period from 1 January 2021 to 31. December 2021

(EUR)

	01.01.-31.12.2021	01.01.-31.12.2020
1. Revenue	**231.090.903,42**	452.439.447,10
2. Other operating income	**1.935.251,20**	80.790.812,39
3. Cost of materials		
a) Cost of raw materials,consumables and supplies, and of purchased merchandise	**-3.275.799,60**	-7.376.293,65
.b) Cost of purchased services	**-99.401.930,84**	-227.614.364,30
	-102.677.730,44	-234.990.657,95
4. Personnel expenses		
a) Wages and salaries	**-108.897.260,96**	-126.694.855,96
b) Social security,post-employment and other employee benefit costs (thereof post-employment cost € -13.696.982,20 ; prior year k€ 9.778)	**-32.968.484,07**	-9.199.497,07
	-141.865.745,03	-135.894.353,03
5. Amortization and write-downs of intangible assets and depreciation and write-downs of property, plant and equipment	**-6.628.297,90**	-32.915.988,97
6. Other operating expenses	**-11.895.144,91**	-35.854.962,41
7. Other interest and similar income	**2.508.123,12**	9.534.861,54
8. Interest and similar expenses (thereof from affiliated companies € 0,00; prior year k€ 387)	**-10.493.204,90**	-8.190.117,69
9. Taxes on income	**-1.021.429,85**	0,00
10. Earnings after taxes	**-39.047.275,29**	94.919.040,98
11. Expenses from profit transfer	**0,00**	-94.919.040,98
12. Loss for the financial period	**-39.047.275,29**	0,00

Notes for the Financial Year 2021

I. GENERAL DETAILS RELATING TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

TCS Technology Solutions AG, Bonn (TCS AG), was registered in the Commercial Register of the Bonn Local Court on 8 June 2020 under number HRB 8867.

The financial statements have been prepared in accordance with the provisions of the Third Book of the German Commercial Code [Handelsgesetzbuch - HGB] and of the German Stock Corporations Act [Aktiengesetz - AktG].

According to the size classes defined in Section 267 (3) HGB, the company is a large corporation.

The statement of profit and loss is prepared according to the total cost method.

The financial year corresponds to the calendar year.

II. DISCLOSURES RELATING TO EQUITY INTERESTS

The fully paid-up, subscribed capital of TCS AG in the amount of € 3,250,000 is wholly held by Tata Consultancy Services Netherlands B.V., Amsterdam, Netherlands (TCS). Until 31 December 2020, the shares in TCS AG were held by Deutsch Bank AG, Frankfurt am Main, Germany. Deutsch Bank sold PB Systems to Tata Consultancy Services Netherlands BV, Amsterdam, Netherlands (TCS), with the expiry of 31 December 2020.

Tata Consultancy Services Limited, Mumbai, India prepares the consolidated financial statements for the smallest group of consolidated entities, while Tata Sons Limited, Mumbai, lndia, prepares the consolidated financial statements for the largest group of consolidated entities, which include TCS AG.

The consolidated financial statements are available at Bombay House, Mumbai, India.

The consolidated financial statements of Tata Consultancy Services Limited, Mumbai, lndia, and of Tata Sons Limited, Mumbai, India, are published under the Commercial Register numbers 11-84781 and 478, respectively.

III. Accounting policies

As a result of the change in ownership and the consolidation in the TCS AG Group, some of the figures are not comparable to those of the prior year.

Purchased **intangible fixed assets** were measured at acquisition costs, subject to scheduled straight-line depreciation. In the year of their acquisition, they are written down on a pro rata temporary basis. In 2020, the policy relating to useful lives was changed. The useful lives of intangible fixed assets acquired after 1 January 2020 were increased from 4.5 to 5 years. The useful lives of assets acquired before 1 January 2020 have not changed.

Tangible fixed assets were recognised at acquisition costs less scheduled straight-line depreciation.

In 2021, depreciation is spread out over the estimated useful lives as follows:

	Years
Computers	4.5
Telecommunication equipment	5
Operating equipment	6
Automatic teller machines/statement printers	7
Office equipment	10

Assets with acquisition costs below € 150 net are expensed as incurred. As an exception to this rule, IP telephones are always measured at acquisition costs less scheduled straight-line deprecation, regardless of their acquisition costs.

Self-developed intangible fixed assets of PB Systems were subject to accelerated depreciation in the amount of k€ 358. In the prior year, accelerated depreciation of tangible fixed assets amounted to k€ 362.

For the measurement of the **inventories** in accordance with Section 240 (3) HGB, the fixed value method was applied. The last physical inventory was carried out in the 2018 financial year.

Receivables and other assets are measured at nominal values.

Cash-in-hand, bank balances

As of the reporting date, TCS AG had credit balances at banks in the amount of k€ 41,053, which are accounted for at nominal values.

Another amount of k€ 30,000 of short-term deposits are not reported as cash and cash equivalents based on their maturity in June 2022, but as other assets.

In accordance with Section 250 (1) HGB**, prepaid expenses** were recognised for expenses incurred prior to the balance-sheet date relating to expenditure for a certain time after that date.

Obligations from pensions and similar obligations at TCS AG are hedged against insolvency by funding cover from Metzler Trust e.V., Frankfurt am Main, Germany. The **difference from offsetting assets** shows the excess of assets from the netting of the funding cover with the provisions for pensions and similar obligations. The funding cover, which exclusively serves for purposes of settling debts from pensions and similar obligations and cannot be accessed by any other creditor, will be measured at fair value in accordance with Section 253 (1) sentence 4 HGB, and set off against the pension obligations in accordance with Section 246 (2) sentences 2 and 3 HGB.

Provision for pensions and similar obligations are measured on the basis of actuarial principles (modified mortality tables 2018G by Prof. Dr. Klaus Heubeck) using an actual interest of 1.87 %, salary developments of 2.55 % and annual pension adjustment rates of 1.95 % or 2.05 %, respectively. The different percentages in the pension adjustment rates are attributable to the two pension agreements on which the expert opinions are based. The projected unit credit method is used to measure defined benefit obligations.

The difference from the measurement of the pension obligations using an actuarial interest based on a 10-year average and the measurement based on a 7-year average is subject to the legal dividend distribution restriction under Section 253 (6) HGB (see Section VI 2. dividend distribution restriction).

For discounting, TCS AG used the actuarial interest determined and published by Deutsch Bundesbank, which is the result of an assumed remaining term of 15 years.

Equity was recognised at par value.

Other provisions are measured as follows:

1. Jubilee provisions

They are measured on the basis of actuarial principles (modified mortality tables 2018 G by Prof. Dr. Klaus Heubeck) using an actual interest of 1.35 % and salary developments of 2.55 % annually. The projected unit credit method is used to measure defined benefit obligations.

2. Death grant provisions

They are measured on the basis of actuarial principles (modified mortality tables 2018 G by Prof. Dr. Klaus Heubeck) using an actual interest of 1.35 % and salary developments of 2.55 %. The projected unit credit method is used to measure defined benefit obligations..

3. Provisions for early retirement arrangements

They are measured on the basis of actuarial principles (modified mortality tables 2018 G by Prof. Dr. Klaus Heubeck) using an actual interest of 0.34 % and salary developments of 2.55 %. The projected unit credit method is used to measure defined benefit obligations.

4. Provisions for potential losses

Other long-term provisions are recognised in accordance with Section 253 (1) sentence 2 and (2) HGB at their settlement amounts which are discounted over their individual terms, using the interest rates of Deutsch Bundesbank. Provisions due within one year are not discounted.

Provisions are measured to take sufficient account of any and all contingent liabilities in terms of amount and/or time. They are measured at the amount necessary to settle them according to prudent business judgement.

Liabilities are recognised at their settlement amounts.

IV. NOTES RELATING TO ITEMS OF THE BALANCE SHEET

1. Fixed assets

The development of assets from 1 January 2021 to 31 December 2021 is shown in the movement of assets schedule annexed hereto.

2. Receivables and other assets

Receivables and other assets in the amount of k€ 57,505 (pr. yr. k€ 820) include term deposits in the amount of k€ 30,000 (pr. yr. k€ 0), trade receivables in the amount of k€ 25,298 (pr. yr. k€ 98), creditors with debit balances in the amount of k€ 521 (pr. yr. k€ 610); tax receivables in the amount of k€ 0 (pr. yr. k€ 67) and other receivables from employees in the amount of k€ 146 (pr. yr. k€ 45).

The company does not have any receivables in foreign currency as of balance sheet date.

Receivables and other assets are due within one year.

3. Prepaid expenses

This item mainly includes deferred software maintenance expenses of k€ 5,069 (pr. yr. k€ 9,733), expenses on software and hardware rental of k€ 3,250 (pr. yr. k€ 6,350), expenses in connection with IT support services of k€ 0 (pr. yr. k€ 147), hardware maintenance expenses of k€ 589 (pr. yr. k€ 2,982) and pension and social security prepayments of k€ 0 (pr. yr. k€ 196).

4. Difference from offsetting assets

The difference from offsetting assets is the result of setting off the funding cover available to secure pension payments against the provisions for pensions and similar obligations.

Provision for **pensions and similar obligations** are set off against the fair value of the funding cover in accordance with Section 246 (2) sentence 2 HGB and reported under a separate line item "Difference from offsetting assets" in accordance with Section 246 (2) sentence 3 in conjunction with Section 266 (2) E HGB

The table below shows the year-end amounts to settle pension obligations and the fair value of the funding cover derived from market prices, as well as the resulting difference.

(EUR)

	2021 k€	2020 k€
Settlement amount of provisions for pensions	**110,000**	88,811
Fair value of funding cover	**127,833**	125,325
Difference from offsetting assets	**17,833**	36,514
Acquisition costs of funding cover	**125,552**	102,715
Unrealised gains funding cover	**2,281**	22,609

In the financial year 2021, the acquisition costs of the funding cover increased by k€ 22,837 as a result of a step-up (pr. yr. k€ 36,177). Unrealised gains from funding cover dropped by k€ 20,328 to k€ 2,281 at the balance-sheet date. As at 31 December 2021, the balance from the income from the reporting date valuation of the funding assets in the amount of k€ 2,508 (pr. yr. k€ 9,535) was set off against the interest expenses on the provision for pensions of k€ 2,061 (pr. yr. k€ 2,069) and the expenses on the change in interest rates of k€ 7,769 (pr. yr. k€ 5,718) and reported under interest and similar expenses in the amount of k€ 7,322 (pr. yr. k€ 1,748).

Due to the application of the German Act to Modernise Accounting Law [*Bilanzrechts- modernisierungsgesetz - BilMoG*], a difference of k€ 6,559 was incurred as at 1 January 2010. This amount is reversed by one fifteenth (k€ 437) annually in the profit and loss statement in the item "Other operating expenses" and transferred to provisions for pensions. The remaining difference as at 31 December 2021 amounts to k€ 1,312.

The difference between the recognised provisions for pensions using the seven-year average and the ten-year average rates amounts to k€ 10,635 as at the balance-sheet date (pr. yr. k€ 11,212).

5. Equity

In accordance with Section 272 HGB, **equity** includes the subscribed capital, the capital reserve, and other retained earnings. The Company's share capital amounts to k€ 3,250 and consists of 650,000 no par value bearer shares. TCS, Tata Consultancy Services Netherlands B.V., is the only stockholder.

On 31 December 2021 the equity ratio was 68 % (pr. yr. 47 %). The increase in equity ratio is attributable to the understatement of the balance sheet total resulting from the profit transfer to Deutsch Bank in the 2020 financial year in the amount of € 95 million and to the net loss for the financial year 2021.

Other retained earnings include amounts of k€ 8,579 (pr. yr. 8,579), which were allocated in the past based on legal dividend distribution restrictions.

6. Other provisions

Other provisions are attributable mainly to early retirement arrangements (k€ 9,485; pr. yr. k€ 13,560), unpaid invoices (k€ 5,831; pr. yr. k€ 9,033), entitlements to residuals (k€ 4,211; pr. yr. k€ 5,075), and holiday/overtime work entitlements (k€ 4,730; pr. yr. k€ 3,696).

7. Liabilities

Liabilities in the amount of k€ 16,899 (pr. yr. k€ 117,242) include k€ 6,475 (pr. yr. k€ 15,027) of trade liabilities, as well as liabilities from business taxes and levies in the amount of k€ 9,849 (pr. yr. k€ 2,305).

Liabilities in foreign currencies and liabilities due after more than 5 years do not exist on the balance-sheet date.

8. Deferred taxes

Deferred tax assets are mainly attributable to differences in the measurement of fixed assets and non-current provisions.

The Company did not make use of the option regarding the excess of income tax receivables according to Section 274 (1) sentence 2 HGB.

V. NOTES TO INDIVIDUAL ITEMS IN THE STATEMENT OF PROFIT AND LOSS.

1.Revenue

Revenue relates to the following fields of activity:

(EUR)

	2021 k€	2020 k€
Revenue of business products	**151,246**	259,410
Project services	**79,845**	122,096
Renting of terminals	**0**	27,575
Income from providing workplace software	**0**	43,312
Other income	**0**	46
Total	**231,091**	452,439

Compared with the prior year, the sales dropped by 49 % and were generated in Germany only.

2. Other operating income

Other operating income in the amount of k€ 1,935 (pr. yr. k€ 80,791) include prior- year income in the amount of k€ 1,934 (pr. yr. k€ 4,447), which are mainly attributable to the reversal of provisions.

3. Cost of materials.

Cost of materials consist of expenses of raw materials and supplies and of purchased merchandise of k€ 3,276 (pr. yr. k€ 7,376) and cost of purchased services in the amount of k€ 99,402 (pr. yr. k€ 227,614). Cost of purchased services are mainly attributable to rent and maintenance in the amount of k€ 55,928. Another major expense item relates to IT consultants' services of k€ 39,056.

4. Personnel expenses

Personnel expenses consist of wages and salaries in the amount of k€ 108,897 (pr. yr. k€ 126,695) and social security contributions in the amount of k€ 32,968 (pr. yr. 9,199).

5. Depreciation and amortization

In the reporting period, depreciation extends to intangible fixed assets in the amount of k€ 1,202 (pr. yr. k€ 11,076) and technical equipment/operating and office equipment in the amount of k€ 5,426 (pr. yr. k€ 21,840).

6. Other operating expenses

Other operating expenses of k€ 11,895 (pr. yr. k€ 35.855) mainly include expenses on rent, office cost and service charges in the amount of k€ 4,665.

Due to the application of the German Act to Modernise Accounting Law [*Bilanzrechts- modernisierungsgesetz - BilMoG*], a difference of k€ 6,559 was incurred as at 1 January 2010. The remaining difference as at 31 December 2021 amounts to k€ 1,312. Expenses under Article 67 (1) and (2) Introductory Act to the Commercial Code [*Einführungsgesetz zum Handelsgesetzbuch – EGHGB*] in the amount of k€ 437 (pr.yr. k€ 437) are reported under operating expenses.

7. Other interest and similar income

Income from the valuation of the funding cover of k€ 2,508 (pr. yr. k€ 9,535) is reported under interest and similar income.

8. Interest and similar expenses

Interest and similar expenses show the following effect on pensions:

(EUR)

	2021 k€	2020 k€
Compounding of pensions	**2,061**	2,069
Changes in interest rate	**7,769**	5,718
Consolidated net profit for the period	**9,830**	7,787

In addition, interest and similar expenses include interest expenses to Deutsch Bank AG in the amount of k€ 629 (pr. yr. k€ 489) and expenses on compounding other provisions for personnel in the amount of k€ 34 (pr. yr. k€ 18).

VI. OTHER DISCLOSURES

1. Other financial obligations

Financial obligations from lease, maintenance, and other agreements within the meaning of Section 285 (3a) HGB break down as follows:

(EUR)

	2021	2022	2023	2024	2025	2026	Total
	k€	k€	k€	k€	k€	k€	k€
Obligations under leases	14,728	8,417	3,988	2,367	1,637	1,467	32,604

Obligations under maintenance contracts	45,176	27,925	6,557	3,461	250	250	83,619
Total obligations	59,904	36,342	10,545	5,828	1,887	1,717	116,223

2. Dividend distribution/transfer restriction

The regulations on profit transfers based on the divided distribution and transfer restriction are observed by the Company.

The amounts relevant for distribution and/or transfer are shown below:

(EUR)

	2021 k€	2020 k€
Amounts subject to a distribution restriction in accordance with Sections 268 (8) in conjunction with Section 285 (28) HGB		
Difference between the acquisition costs of the funding cover and the measurement at fair value	2,281	22,609
Difference sub. to dividend distribution restriction pursuant to Section 253 (6) HGB from the measurement of provisions for pensions	10,635	11,212
Total	**12,916**	**33,821**

The income from the increase in the difference between the fair value and the acquisition costs of the funding cover for pension obligations was not transferred to the revenue reserve in the reporting year, as there are freely available reserves. The legal dividend distribution restriction under Section 268 (8) HGB was not applicable in the prior year in the calculation for the profit and loss transfer agreement and due to loss absorption under Section 302 (1) AktG.

In the reporting year, Post-bank Systems AG generated a loss. The income from the increase in the difference between the fair value and the acquisition costs of the funding cover for pension obligations was therefore not transferred to the revenue reserve.

3. Post-balance sheet date events

On 24 February 2022, Russia attacked Ukraine. As consequence, the European Union, together with many other industrialised nations such as the USA, Japan and South Korea, has imposed extensive economic sanctions. In addition to a many other effects, these sanctions will most likely further increase the inflation that was evident before the beginning of the combat action; public finances will be under huge strain and thus impair the development of the economy. There are no effects on the net assets, financial position and results of operations as at the balance sheet date. However, at this point in time the effects on the development of the Company cannot be assessed for the 2022 financial year or beyond.

Save as aforesaid, there were no post-balance sheet events of particular importance that had a significant impact on our net assets, financial position and results of operations.

4. Executive bodies of the Company

Members of the Board of Directors

Ingo Rosenstein, Velbert	from 12/01/2021
Chairman of the Board	
Pradeep Gaitonde, Issy-les-Moulineaux, France	from 12/01/2021
Board Member for Finance	
Dr. Prithwish Ray, Amstelveen, Niederlande	from 12/01/2021
Board Member for Human Resources	

Members of the Supervisory Board

Sapthagiri Chapalapalli, Frankfurt am Main	from 08/01/2021
Supervisory Board Chairman	
(Managing Director Tata Consultancy Deutschland GmbH)	
Heinz Gehri, Mönsingen, Switzerland	from 08/01/2021
Supervisory Board Vice Chairman	
(Country Head and Director of Tata Consultancy Services Switzerland)	
Kunchitham Krithivasan, Chennai, India	from 08/01/2021
President of the Banking and Financial Services Business of Tata Consultancy Services Limited	
Samir Seksaria, Mumbai, India	from 08/01/2021
Chief Financial Officer of Tata Consultancy Services Limited	

Employee representative

Andreas Beutner, Hameln
Employee of Post-bank Systems AG

Kai Specht, Wachtberg
Employee of Post-bank Systems AG, Dipl. Verwaltungswirt (Graduate in Public Administration)

5. Remuneration of the Company's bodies

In the reporting year and in the prior year, the members of the Board of Directors have not received any remuneration.

The pension obligations for former members of the Board of Directors as at 31/12/2021 amount to k€ 5,682 (pr. yr, k€ 5,306).

In the reporting year and in the prior year, the members of the Supervisory Board have not received any remuneration.

There are no pension obligations for former members of the Supervisory Board.

No advances or loans were granted to members of the Company's bodies.

6. Number of staff

Notes for the Financial Year 2021

The average number of employees is shown below:

(EUR)

	2021	2020
Public servants on leave	**141**	155
Salaried employees	**1,228**	1,342
Total	**1,369**	1,497
of which part-time employees	**147**	176

The average number of employees does not include employees on parental leave (15 in 2021), students in integrated degree programmes (21 in 2021), apprentices (14 in 2021) and the Board of Directors (0 in 2021).

7. Auditors'fees

(EUR)

	2021 k€	2020 k€
Auditors' services	**45.5**	75.0
Other assurance services	**0.0**	65.0
Tax advisory services	**46.6**	0.0
Other services	**0.0**	0.0
Total	**92.1**	140.00

The breakdown includes the fee paid to Ernst & Young GmbH Wirtschaftsprüfungs- gesellschaft in the 2020 financial year.

8. Appropriation of profits

The management proposes that the net loss for the period of EUR -39,047,275.29 be carried forward to the new accounts.

Bonn, 31 March 2022

TCS Technology Solutions AG

Ingo Rosenstein
Chairman of the Board of Directors

Pradeep Gaitonde
Member of the Board of Directors

Dr. Prithwish Ray
Member of the Board of Directors

Appendix to the notes

Development of fixed assets in the financial year 2021

(EUR)

	Acquisition and production costs				Accumulated depreciation				Book value	
	01.01.2021	Additions	Disposals	31.12.2021	01.01.2021	Addition	Disposals	31.12.2021	31.12.2020	31.12.2021
I. Intangible assets										
1 Self-created industrial property rights and similar rights and values	0,12	0,00	-0,06	0,06	-0,01	0,00	0,00	-0,01	0,11	0,05
2 Acquired concessions, industrial property rights and similar rights and assets, as well as licences in such rights and assets	44.428.813,92	0,00	-3.006.878,05	41.421.935,87	-41.748.270,92	-1.201.821,00	2.934.813,05	-40.015.278,87	2.680.543,00	1.406.657,00
3 Prepayments on intangible assets	6.329.205,57	462.178,94	-462.178,94	6.329.205,57	-6.329.205,57	0,00	0,00	-6.329.205,57	0,00	0,00
	50.758.019,61	462.178,94	-3.469.057,05	47.751.141,50	-48.077.476,50	-1.201.821,00	2.934.813,05	-46.344.484,45	2.680.543,11	1.406.657,05
II. Tangible Assets										
1. Technical equipment and machinery	64.287.643,23	1.301.816,55	-2.887.348,87	62.702.110,91	-53.421.556,23	-5.189.971,55	2.885.939,87	-55.725.587,91	10.866.087,00	6.976.523,00
2. Other equipment, factory and office equipment	3.957.099,78	9.534,35	-470.088,35	3.496.545,78	-2.718.521,78	-236.505,35	462.102,35	-2.492.924,78	1.238.578,00	1.003.621,00
	68.244.743,01	1.311.350,90	-3.357.437,22	66.198.656,69	-56.140.078,01	-5.426.476,90	3.348.042,22	-58.218.512,69	12.104.665,00	7.980.144,00
Total	119.002.762,62	1.773.529,84	-6.826.494,27	113.949.798,19	-104.217.554,51	-6.628.297,90	6.282.855,27	-104.562.997,14	14.785.208,11	9.386.801,05

Appendix 4

MANAGEMENT REPORT

for the financial year 2021,

of TCS Technology Solutions AG, Bonn

I. Fundamentals of the Company

TCS Technology Solutions AG (previously Post-bank Systems AG, hereinafter also TCS-TS or the Company) is headquartered in Bonn and has nine locations: Berlin, Dortmund, Frankfurt, Hamburg, Hameln, Hanover, Munich, Nuremberg and Saarbrücken. While IT was managed centrally in Bonn, IT services are provided at these locations, with different focus areas respectively.

The Company name was changed with effect from 28.12.2021.

The Company is a subsidiary of Tata Consultancy Services Netherlands BV (Amsterdam) ('TCSNL') which in turn is a subsidiary of Tata Consultancy Services Limited with global business activity. Tata Consultancy Services offers a consulting-led, integrated portfolio of business, technology as well as engineering services and solutions.

1.1. Business Model and Governance

TCS-TS was part of Deutsch Bank Group until end of 2020 and taken over by TCS NL on 1 January 2021. The Company's product range essentially comprises the planning, development, implementation and operation of IT application systems and IT infrastructure. Following the takeover of the Company by TCS NL, efforts have been initiated regarding the adaptation of the previous business model which had included the Company's former exclusive activity as a service delivery provider for Deutsch Bank Group. Personnel capacities of the Company that will increasingly become available in the future due to contractual agreements with Deutsch Bank Group must be utilized – by providing services to customers and industries. For this purpose, the Company underwent a reorganization in financial year 2021 and as of the end of the same now offers customer- and industry-specific IT services on the market through newly established delivery centres.

1.2. Research & Development

As a service delivery provider for IT services, the Company does not perform its own research or development.

2 Economic Report

2.1. Macroeconomic and Industry-related Framework Conditions

Post the effects of the Covid-19 pandemic, the digital economy in Germany shows strong growth, and the business climate is better than ever. For 2021, the digital industry association Bitkom expects sales by companies in the sectors of IT, telecommunications and consumer electronics to increase by 4 percent to EUR 178.2 billion. Bitkom reported these numbers based on current calculations. In June 2021, ICT companies assessed their overall business situation as very good, as surveys by Bitkom and ifo Institute continue to show. The Bitkom-ifo Digitalindex rose by 5.9 points and reached an all-time high of 40.5 points. The Bitkom sector is thus developing significantly more dynamic than the economy as a whole: According to ifo, it gained 5.6 points and reached 22.5 points in June. "Growth in the core of the digital economy is the strongest it has been in 20 years, and revenues are well above pre-crisis levels." In 2021, the Bitkom industry in Germany is again expected to create more than 40,000 additional jobs, employing 1.27 million people in Germany. The signs are set for growth in the coming year as well: Pursuant to the forecast, market growth is expected at 3.4 percent to EUR 184.3 billion in 2022. Simultaneously, the number of jobs in the sector could rise to over 1.3 million for the first time. Despite the Covid-19 pandemic, the Bitkom industry has created 150,000 additional jobs in the past five years alone. Digitalization not only leads to improved efficiency and productivity across all industries but also increases the demand for IT professionals. This mainly stems from the increased demand by companies for specialized services and the fact that larger companies are expanding their internal IT departments. The area of systems integration and the planning of individual software recorded growth. The demand for system integration is caused by increasing digitalization efforts that require support by specialists for complex implementations of software and hardware solutions.

The Covid-19 pandemic has accelerated digitalization to an extent that was hardly imaginable before. Companies that were already well-positioned had to step up their game to enable remote work for more employees, and companies that had not yet dealt with digitalization had to start doing so in order to stay competitive. Thus, a global pandemic has enabled something that previously showed only slow progress: Driving digitalization in German companies. Another important aspect is the trend for mobile work as a booster for the IT industry. Mobile work and home office have caused the segment of information technology to gain more relevance in 2021.

When it comes to home office, the IT industry is a pioneer: Almost two-thirds of employees (61 percent) currently still work from home in whole or in part. In the overall economy, it is 28 percent – less than half as many. Since July 1, the so-called "Homeoffice-Pflicht" (home office mandate) in place until then has expired. However, as shown in a Bitkom survey conducted in May 2021, 62 percent of employees are in favor of a strict home office mandate until the end of the pandemic. Half (51 percent) of the employees would like to continue working in home office in full or in part even after the pandemic.

Against the backdrop of the crisis caused by the Covid-19 pandemic, TCS-TS has initiated suitable measures as a result of which almost all employees work in SBWS™ (home office environment). The very good connection via remote access enables. With the strong technical foundation in terms of internet connectivity and almost 100% availability of employees in home offices, TCS TS was able to provide its services in 2021 and to ensure uninterrupted availability for its client/s in full. Consequently, this enabled assurance in ongoing operations and the provision of project business for the bank and new customers as planned.

2.2. Business Performance

Financial year 2021 was characterized by the change in ownership and the realignment of the Company's business model. The Company has a new management board and has undertaken reorganization measures to achieve alignment with the planned future business model. At the same time, the Company's supervisory board members were reappointed for the most part of the financial year.

In addition to providing transition services for the transfer of Postbank's IT systems to Deutsch Bank (DB) systems, the Company is also realigning its focus on the provision of IT services to customers in German, Austrian and Swiss markets. Here, first important projects were completed with customers in financial services and retail. Nevertheless, the sales volume with new customers originally planned for 2021 could not be achieved.

The new business model enables a reduction of previously used external consulting services disproportionately to performance and sales development, respectively, and to substitute them with services of affiliated companies of TCS NL. Financial year 2021 saw the step-by-step beginning of the implementation of the strategic objective to replace external capacities with existing TCS Group resources. The increased utilization of TCS-TS's existing personnel capacities in Germany together with personnel capacities of associated companies of TCS NL will enable the Company to operate on the market at competitive conditions and to sustainably generate profitable revenues at the same time.

Due to the nature of its business as a service delivery provider for IT services, the employees of TCS- TS represent an important success factor. Jointly with the very good market situation for IT specialists, the changes associated with the change in shareholders and the subsequent realignment of the business model have led to an unplanned workforce reduction. The working hours freed up due to the delayed market development were leveraged for further training measures, especially in the area of language skills, in order to prepare employees for their future activities.

2.3. Net Assets, Financial Position and Results of Operations

2.3.1. Net Assets

The balance sheet total decreased by EUR 144.9 million to EUR 135.2 million (previous year: EUR 280.1 million). The decrease mainly stems from the payment of liabilities in the amount of EUR 94.9 million to the former shareholder from the profit transfer in 2020, which were reported as other liabilities in the previous year, and the net loss for the year in the amount of EUR 39.0 million. This led to a significant year-on-year decrease in bank credit balances.

Receivables and other assets increased by EUR 26.7 million year-on-year to EUR 27.5 million due to the trade receivables and receivables from affiliated companies existing at the end of the year.

In comparison to the previous financial year, prepaid expenses decreased by EUR 10.2 million, in particular due to the transfer of rental, care and maintenance contracts to the former shareholder.

Due to the lower valuation of Pension assets, the surplus from offsetting has decreased by EUR 18.7 million to EUR 17.8 million in the reporting period and pension obligations have increased simultaneously.

The loss in financial year 2021 has led equity to decrease by EUR 39.0 million to EUR 91.7 million.

Other provisions decreased by EUR 6.6 million to EUR 25.5 million. This is particularly due to the utilization of provisions recognized in the previous year for early retirement arrangements under the voluntary program still agreed with the former shareholder.

Liabilities in the amount of EUR 16.9 million (previous year: EUR 117.2 million) decreased in particular due to the transfer of profit in the amount of EUR 94.9 million from the profit and loss transfer agreement to the former shareholder.

2.3.2. Financial Position

As of the balance sheet date, the Company had a high equity ratio of 67.9%. Equity in the amount of EUR 91.7 million is set against cash and cash equivalents of just under EUR 71.1 million on the assets side. The pension obligations of the Company measured pursuant to provisions under German Commercial Law are fully covered by plan assets as at the balance sheet date, and there is still an asset-side difference from asset offsetting in the amount of around EUR 17.8 million. In the medium to long term, the aim is to achieve a balanced equity to debt ratio so as to secure financial stability and flexibility.

Compared to the previous year, cash and cash equivalents show a total decrease in the amount of EUR 137 million. This was initially due to the payment of liabilities in the amount of EUR 94.9 million to the former shareholder from the profit transfer in 2020 which were reported under other liabilities in the previous year. Furthermore, the net loss in the amount of EUR 39.0 million generated in fiscal year 2021 had its resultant impact on cash and cash equivalents. Despite the Company not having any credit lines of its own with financing partners, as was the case in the previous year, the Company's high level of liquidity at the beginning of the financial year granted the ability to meet all payment obligations at all times.

In connection with the change in the Company's business model, capital expenditure in financial year 2021 fell sharply compared to the previous year. Capital expenditure in the amount of EUR 1.7 million was primarily for new IT hardware (notebooks and mobile phones).

2.3.3. Results of Operations

Financial year 2021 closes with a net loss in the amount of EUR 39.0 million (previous year, profit before profit transfer: EUR 95 million). A negative result had been expected for 2021 due to integration costs and the establishment of a new business model. The personnel capacities freed up in the course of the realignment of the business model could not yet be deployed in third-party business, or at least not yet to the planned extent, as the development of new business in 2021 was delayed.

Revenues decreased by EUR 221.3 million, roughly 49%, to EUR 231.1 million (previous year: EUR 452.4 million).

The cost of materials, which in addition to software licensing and maintenance costs includes expenses for personnel capacities purchased from third parties in particular, was reduced by 56.3% year-on-year to EUR 102.7 million, a disproportionately large reduction compared to the decline in sales. While gross profit, defined as revenues minus cost of materials, decreased by EUR 89.0 million in absolute terms, the gross profit ratio rose from 48.1% in the previous year to 55.6% in the year under review.

As a result of the sale of fixed assets to the former shareholder in the previous year, depreciation of intangible assets and depreciation of property, plant and equipment decreased to EUR 6.6 million.

Other operating expenses in the amount of EUR 24.8 million, adjusted in the previous year for extraordinary losses on the disposal of non-current assets amounting to EUR 11.0 million, fell by EUR 12.9 million to EUR 11.9 million in the year under review. This was mainly due to the decrease in rental and ancillary rental costs by around EUR 9.5 million.

2.3.4. Financial and Non-financial Performance Indicators

Financial and non-financial performance indicators disclosed here are the key figures used by the Company to assess its progress or success in achieving the defined corporate objectives.

2.3.5. Financial Performance Indicators

Management and monitoring of the Company is based on the accounting information to be used by all subsidiaries of TCS NL based on the International Financial Reporting Standards (IFRS). On the other hand, the Company's annual financial statements are based on the accounting principles mandated by German commercial law which may differ significantly from accounting information based on IFRS in individual cases. In the case of the Company, this concerns the measurement of existing pension obligations and the accounting principles applied for rental and lease agreements, in particular.

In addition to revenues and earnings before interest and taxes (EBIT), the most important financial performance indicators are revenues per employee (based on full-time equivalents).

Sales adjusted as per the business activities sold in full to the former shareholder in the previous year decreased by EUR 150.4 million from EUR 381.5 million to EUR 231.1 million, a decline of 39.4%. Of these revenues, only just under 1.0% are attributable to new business activities of the Company.

Earnings before interest and taxes for 2021 amount to EUR -30.0 million and are mainly attributable to the underutilization of personnel capacities described above in the course of the adjustment of the business model. In the previous year, adjusted for extraordinary income and expenses totaling EUR 64.2 million, EBIT amounted to EUR 29.4 million.

As shown under non-financial performance indicators, an average of 1,368 people were employed on a full-time equivalent basis in the year under review. This results in a revenue per employee in the amount of EUR 169K for financial year 2021.

2.3.6. Non-financial Performance Indicators

As a service delivery provider for IT services, the employees of TCS-TS represent the most important success factor. Accordingly, the most significant non-financial performance indicators are in relation to them.

The most important non-financial performance indicators include the average number of employees (based on full-time equivalents, FTEs for short), sickness rate and staff turnover rate.

As of December 31, 2021, there were 1,289 employees (previous year: 1,452), with women accounting for 24% of the workforce. These 1,289 employees include 140 part-time employees (previous year: 162), which corresponds to a part-time ratio of 11%. Furthermore, the Company had 8 apprentices and 16 so-called dual students as of December 31, 2021. These figures are down significantly compared to the previous year (20 apprentices and 28 dual students). The average number of employees (FTE) was around 1,368.

The sickness rate is a measure for unplanned loss of personnel capacity that must be compensated for by using external personnel capacity which leads to unplanned expenses or a proportionate decrease in billable services and thus lower revenue. In the second year of the Covid-19 pandemic, the sickness rate increased significantly to 6.4% compared to the previous year (2020: 3.6%).

The German labor market for IT specialists is currently employee-friendly which makes it easier to change employers and subsequently leads to an unplanned reduction in available personnel capacities on the part of the Company. This can only be avoided or reduced by successfully filling vacancies with new employees. The staff turnover rate was 14.0% in the year under review, a very significant increase on the previous year's rate of 6.5% (which also includes transfers of functions to Deutsch Bank AG). The changes in the context of the company sale and the good labor market situation had an impact here.

.**2.4. Assessment of the Economic Position**

The course of business, characterized by the first year of realignment of the Company's business operations following the change in shareholders, is overall assessed as modestly positive.

Revenues were at the level forecast in the previous year. Third-party business developed increasingly positive in all quarters of 2021. Sales volumes with new customers originally planned for 2021 have not yet been reached. Expenses and costs were in line with expectations as well.

As per the forecast, a positive result was not achieved. However, the generated net loss was higher than expected due to delays in new customer business development. Summed up, however, the targets outlined in the report for the previous year regarding expected developments were achieved in financial year 2021. Against the background of the ongoing impact of the Covid-19 pandemic on the overall economy, this result is to be assessed as particularly positive. The Company's net assets and financial position have deteriorated to the extent planned due to the transformation that has been initiated, but they are still to be rated as good.

3 Forecast, Opportunities and Risk Report

3.1. Forecast

In 2022, it is expected that the transformation to the Company's new business model will continue to be successfully implemented.

Based on corporate planning, we expect revenue to show a slight increase in 2022 compared to 2021, with a significant uptake of the new customer business share. For the average number of employees (FTE), a slight decrease is expected in 2022. Slight improvements are also expected for sickness and staff turnover rates, although the presumed effects of the Covid-19 pandemic on the one hand and competition for qualified IT specialists on the labor market on the other hand represents a significant factor of uncertainty. Nevertheless, a slight improvement in revenue per employee (FTE) is expected.

With other expenses and costs expected to report a slight downturn, the Company expects to break even on the Earnings Before Interest and Taxes (EBIT) in 2022. Thus, avoiding another net loss for the year is deemed possible. Against the backdrop of the new business model, the liquidity trend is expected to improve significantly compared to 2021, with EBIT breaking even, the expansion of new customer business would lead to a further increase in receipts and thus improvement in the working capital to be levels targeted by the Company.

Contrary to the positive industry trend, sales in the financial years 2023/2024 are expected to be significantly lower (-43m/-46m) compared to 2022. Following the restructuring of the bank's IT architecture, the plans of Deutsch Bank, a major customer, project a very sharp reduction in TCS-TS orders (-134m/-131m). In the planning years 2023/2024, slightly negative EBIT is expected for both planning years.

3.2. Opportunities Report

In financial year 2022, the cooperation with Deutsch Bank Group will continue to shape the economic development of the Company. More than 80% of expected revenues are realized with this main customer and guarantee a high, plannable and stable capacity utilization for the Company. With additional commissions from Deutsch Bank Group, this share could rise even further.

Opportunities for the Company arise in the context of the new business model from the expansion of cooperation with associates of TCS NL to win profitable new customer business on the market at competitive conditions. The successful cooperation with new customers already acquired in financial year 2021 offers further opportunities for the expansion of business relationships in 2022. Demand for IT expertise remains high, as many companies are driving digitalization and IT professionals are in high demand.

3.3. Risk Report

The Company is not exposed to any significant market price, counterparty default and/or liquidity risks. For this reason, the Company's risk early warning system is devoted in particular to operational risks. The management board of the Company holds the main responsibility for this.

The aim of operational risk management processes is to reduce the remaining residual risks to an acceptable level by promptly identifying operational risks, their causes and interdependencies throughout the Company and by initiating the necessary measures. They are currently still based on the requirements of the Non Financial Risk Management (NFRM) of the former shareholder, the requirements of the Company and other legal and contractual requirements.

A corporate management process has been defined and established to manage the Company's operational risks. Operational risk (abbreviated as "OpRisk") is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

OpRisk Management is to ensure efficient and effective processes for managing operational risks. Accordingly, each individual operational risk is identified, analyzed and evaluated. If necessary, measures are initiated, or the risk is accepted and monitored:

Identified risks are first recorded in a so-called "Risikomeldung" (risk notification) and reported to the identifying risk action area. There, an analysis is performed as to whether it is a risk pertaining to this risk action area. If necessary, an assignment to another area can be done.

Next, a risk assessment is carried out for the Company. At this point, a content check is performed and an assessment as well as possible resolution measures are initially documented in the risk

notification. In addition, an initial proposal for the risk potential assessment is made for the clients concerned.

Once a risk owner has been identified, the risk owner determines the type of risk management (i.e. mitigate, accept, transfer, bypass).

All risks are continuously monitored in the assigned and risk action areas in charge. This applies in particular to the timely and appropriate implementation of agreed mitigation measures.

An Extended Risk Report (in German: *Erweiterter Risikobericht*) is prepared and approved by a member of the management board of the Company on a monthly basis. This report presents the overall risk inventory of the Company. It consists of the risk action areas: Operational risks, BCM/ITSCM risks, information security risks and sub-outsourcing risks. In particular, the report shows the status of mitigation measures of significant and reported critical risks. The individual risk action areas and the risks assigned to them are defined as follows:

Operations/BCM/ITSCM

The risk action area, which is divided into "Operations" and "Business Continuity Management and IT Service Continuity Management" ("BCM/ITSCM"), reports risks related to operational processes (e.g. operations or service is at risk due to non-execution of lifecycle measures for an IT component).

Information security

The risk action area of information security covers risks involving a breach of so-called "VIVA Grundwerte" (VIVA basic values, German abbreviation for *Vertraulichkeit, Integrität, Verfügbarkeit und Authentizität* – confidentiality, integrity, availability and authenticity). In addition, application- related risks of IT4IT applications and data protection risks can also be assigned to this risk action area (e.g. security updates that have not been applied can lead to uncontrolled data loss).

Sub-contracting

The risk action area of sub-contracting reports risks regarding services that are not provided by TCS TS itself and have therefore been transferred to another IT service provider (e.g. service provider cannot fulfill defined agreements).

The supervisory board, the management board, and areas of the Company have been informed of the status of the Company's operational risks as required by means of comprehensive and specific reports. In addition, if necessary, separate presentations of the Extended Risk Report are made in the context of board meetings.

As of 31 December 2021 as reporting date, the risk situation at the Company in the defined risk action areas, taking into account the classification of risks according to the risk grid of Deutsch Bank, was as follows:

Risk action area	critical	significant	important	Observed
Information security	0	2	1	22
Operations/BCM/ ITSCM	0	1	2	4
Sub-contracting	0	2	12	178
Total	0	5	15	204

As of 31 December 2021, the Company managed these risks pursuant to the defined and described process, continuously monitored their timely mitigation and carried out regular reporting.

Due to the low number of significant risks, the Company's risk situation was permanently inconspicuous and all risks were managed effectively. New risks may arise in 2022 as a result of the adjustment of the business model following the takeover of the Company by TCS NL due to ongoing integration efforts, but these risks will continue to be managed.

4 Declaration on corporate governance pursuant to Section 289 et seq. para. 4 HGB

In 2021, no targets were set pursuant to Section 76 para. 4 and Section 111 para. 5 of the German Stock Corporation Act.

The Company is part of a multinational group of companies with worldwide operations. As part of its ongoing talent development efforts, the Company supports the recruitment of talent from a variety of educational and cultural backgrounds, regardless of descent. The global gender diversity within the group indicates that women make up more than 35 percent of the workforce. As of 31 March 2021, two seats in the management board of the parent company are held by women. The company believes that an appointment to the management board is dependent upon requirements, skills and experience of an individual that are needed to perform board functions, and also on the availability of that individual to perform said tasks. The company continuously supports its employees in developing skills to qualify for higher positions through regular leadership development programs. However, targets and target deadlines for the participation of women in management positions have not yet been set.

Bonn, 31 March 2022

TCS Technology Solutions AG

Ingo Rosenstein

Chairman of the management board

Pradeep
Management board

Dr. Prithwis Ray Gaitonde
Management board

List of sources for 2.1:

Macroeconomic and Industry-related Framework Conditions

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https://www.bitkom.org/Presse/Presseinformation/Bitkom-Branche-wieder-auf-Wachstumskurs

https://www.bitkom.org/Presse/Presseinformation/Geschaeftsklima-in-der-Bitkom-Branche- erreicht-neuen-Spitzenwert

Appendix 5

GENERAL ENGAGEMENT TERMS
for
Wirtschaftsprufer and wirtschaftsprufungsgesellschaften
(German Public Auditors and Public audit Firms)
As of January 1,2017

1. Scope of application

1. Three engagement terms apply to contracts between German Public Auditors or German Public audit firms hereinafter collectively referred to as "German Public Auditors"-and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

2 Third parties may derive claims for contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagements terms also apply to these third parties.

2. Scope and execution of the engagement

1. Object of the engagement is the agreed service-not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct. The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services, The German Public Auditor is entitled to make use of competent persons to conduct the engagement.
2. Except for assurance engagements, the consideration of foreign law requires an express written agreement.
3. If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting there from.

3. The obligations of the engaging party to cooperate

1. The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement, This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.
2. Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provide as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

1. The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. The is applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non executive role, and to offers to accept engagements on their own behalf.
2. Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public auditor outside of the engagement are always non binding.

6. Distribution of a German Public Auditor's Professional Statement

1. The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor action for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to low or a regulatory requirement.
2. The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

1. In case there are any deficiencies, the engaging party is entitled to specific subsequent performance b the German Public auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non - performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility to subsequent performance, No. 9 applies to the extent that further claims for damages exist.
2. The engaging party must assert a claim for the rectification of deficiencies in writing (Textform) (Translators Note: The German term "Textform"means in written form, but with out requiring a signature) without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statue of limitations.
3. Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associate with technicalities contained in a German Public Auditor's professional statement (long form reports, expert opinions etc.) may be corrected - also versus third parties - by the German Public Auditor at any time, Misstatements which may call in to question the results contained in a German Public Auditor to withdraw such statement also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

1. Pursuant to the law ((Article) 323 Abs 1(paragraph1) HGB (German Commercial code: Handelsgesetzbuch), 43 WPO (German law regulating the Profession of Wirtschaftsprufer: Wirtschaftspruferordnung), 203 StGB(German Criminal Code: strafgesetzbuch))the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.
2. When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

1. For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to 323 Abs, 2 HGB, apply.
2. Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to 1 ProdHaftG(German product liability act: Produkthaftungsgesetz), for an individual cases of damages caused by negligence is limited to € 4 million pursuant to 54 a Abs, 1Nr, 2WPO.
3. The German Public Auditor is entitled to invoke demurs and defences based on the contractual relationship with the engaging party also towards third parties.
4. When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated

in Paragraph 2 applies to the respective claims of all claimants collectively,

5. An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual cases of damages encompasses all consequences from a breach of duty regardless of whether the damages occured in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or any source of error of an equivalent nature are deemed to be single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the five fold of the minimum amount insured does not apply to compulsory audits required by law.

6. A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scieneter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to 1 ProdHaftG, The right to invoke a Plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

1. If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

   If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

2. If the German Public auditor revokes the auditor's report, it may no longer be used. If the engaging Party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

3. The engaging party has a right to five official copies of the report, Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

1. When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party especially numerical disclosures: this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

2. The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines -in particular tax assessments -on such a timely basis that the German Public auditor has a appropriate lead time.

3. Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

a). Preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation , to be provided by the engaging party

b). examination of tax assessments in relation to the taxes referred to in (a)

c). negotiations with tax authorities in connection with the returns and assessments mentioned in (a)and (b)

d). Support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)

e). participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a)

In the aforementioned tasks the German Public Auditor takes in to account material published legal decisions and administrative interpretations.

4. If the German Public Auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3(d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

5. Insofar the German Public auditor is also a German Tax Advisor and the German Tax Advice Remuneration (Steuerberatungsvergutungsverordnung) is to be applied to calculate the remuneration, a greater of lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

6. Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement,this also applies to:

a). work on non recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real; estate sales tax;

b). support and representation in proceedings before tax and administrative courts and in criminal tax matters;

c). advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like , and

d). support in complying with disclosure and documentation obligations.

7 To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

13. Remuneration

1. In additions to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims, Multiple engaging parties are jointly and severally liable.

2. If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims of claims determined to be legally binding.

14. Dispute settlement

The German public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlichtungsstelle) with in the meaning of 2 of the German Act on Consumer Dispute settlements (Verbraucherstreitbeilegungsgesetz).

15. Applicable law

The contract, the performance of the services and all claims resulting there from are exclusively governed by German law.

TCS URUGUAY S.A.

FINANCIAL STATEMENTS

For the year ended
December 31st, 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF
TCS URUGUAY S.A.

Opinion

We have audited the financial statements of TCS Uruguay S.A. (the "Company"), which comprise the statement of financial position as of December 31st, 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine months period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TCS Uruguay S.A. as of December 31st, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uruguay, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether TCS Uruguay S.A.'s financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related

disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Montevideo, Uruguay

February 21, 2022

Statement of Financial Position

(Uruguayan Pesos)

	Note	As at December 31, 2021	As at March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	8 (a)	**123.902.435**	144.434.351
Trade receivables			
Billed	8 (c)	**462.705.582**	505.688.218
Unbilled		**54.260.580**	47.402.187
Other financial assets	8 (d)	**39.801.236**	1.534.683
Income tax assets (net)		**8.015.838**	4.962.490
Other assets	10 (c)	**36.581.204**	24.922.325
Total current assets		**725.266.875**	728.944.254
Non-current assets			
Investments	8 (b)	**520.944**	76.273
Other financial assets	8 (d)	**20.603.270**	3.231.493
Deferred tax assets (net)	14	**5.542.958**	2.750.066
Property, plant and equipment	10 (a)	**115.393.157**	129.237.693
Right-of-use assets	9	**37.078.727**	56.509.560
Intangible assets	10 (b)	**69.477**	133.914
Total non-current assets		**179.208.533**	191.938.999
TOTAL ASSETS		**904.475.408**	920.883.253
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	8 (e)	**28.575.411**	29.717.255
Lease liabilities		**38.549.888**	37.106.774
Other financial liabilities	8 (f)	**18.700.198**	39.647.691
Unearned and deferred revenue	11	**37.835.143**	16.580.886
Employee benefit obligations	15	**169.642.552**	134.939.832
Provisions		**11.267.060**	761.842
Other liabilities	10 (d)	**67.293.299**	40.095.023
Total current liabilities		**371.863.551**	298.849.303
Non-current liabilities			
Lease liabilities		**15.119.893**	44.004.181
Total non-current liabilities		**15.119.893**	44.004.181
TOTAL LIABILITIES		**386.983.444**	342.853.484
Equity			
Share Capital	8 (j)	**540.000**	540.000
Legal Reserves		**108.000**	108.000
Other equity		**(2.069.390)**	(2.069.390)
Retained Earnings		**518.913.354**	579.451.159
TOTAL EQUITY		**517.491.964**	578.029.769
TOTAL LIABILITIES AND EQUITY		**904.475.408**	920.883.253

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Statement of Profit or Loss and Other Comprehensive Income

(Uruguayan Pesos)

	Notes	For the year ended December 31, 2021	For the year ended March 31, 2021
Revenues			
Consultancy services	11	**2.026.171.414**	2.503.898.483
TOTAL REVENUES		**2.026.171.414**	2.503.898.483
Operating expenses			
Employee benefits expenses	15	**1.313.201.709**	1.464.627.435
Depreciation and amortisation expense	9 and10	**64.615.338**	75.483.116
Other operating expenses	12	**125.435.349**	124.105.626
TOTAL OPERATING EXPENSES		**1.503.252.396**	1.664.216.177
Operating profit		**522.919.018**	839.682.306
Other income / (expense)			
Finance and other income	13(a)	**1.416.544**	984.499.043
Finance costs	13(b)	**(2.165.604)**	(3.967.385)
Other gains / (losses) net	13(c)	**3.038.661**	7.530.390
OTHER INCOME / (EXPENSE), NET		**2.289.601**	988.062.048
Profit before Taxes		**525.208.619**	1.827.744.354
Income tax expense	14	**35.693.924**	113.604.056
Profit for the year		**489.514.695**	1.714.140.298
OTHER COMPREHENSIVE INCOME (OCI):			
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**489.514.695**	1.714.140.298

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Statement of Changes in Equity
for the nine months period ended December 31, 2021

(Uruguayan Pesos)

	Equity share capital	Legal reserves	Other equity	Retained earnings	Total equity
Balance as at March 31, 2020	540.000	108.000	(2.069.390)	530.894.205	529.472.815
Profit for the year	-	-	-	1.714.140.298	1.714.140.298
Total comprehensive income / (losses)	-	-	-	1.714.140.298	1.714.140.298
Dividend (Note 5)	-	-	-	(1.665.583.344)	(1.665.583.344)
Balance as at March 31, 2021	540.000	108.000	(2.069.390)	579.451.159	578.029.769
Balance as at April 1, 2021	**540.000**	**108.000**	**(2.069.390)**	**579.451.159**	**578.029.769**
Profit for the year	**-**	**-**	**-**	**489.514.695**	**489.514.695**
Total comprehensive income / (losses)	**-**	**-**	**-**	**489.514.695**	**489.514.695**
Dividend (Note 5)	**-**	**-**	**-**	**(550.052.500)**	**(550.052.500)**
Balance as at December 31, 2021	**540.000**	**108.000**	**(2.069.390)**	**518.913.354**	**517.491.964**

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Statement of Cash Flows
for the nine months period ended December 31, 2021

(Uruguayan Pesos)

	Note	For the year ended December 31, 2021	For the year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**489.514.695**	1.714.140.298
Adjustments to reconcile Profit or loss to net cash provided by operating activities:			
Depreciation and amortisation expense	9 and10	**64.615.338**	75.483.116
Loss on disposal of property, plant and equipment	13(c)	**12.971**	109.263
Income tax expense	14	**35.693.924**	113.604.056
Unrealised foreign exchange (gain) / loss		**5.172.641**	12.710.363
Operating profit before capital changes		**595.009.569**	1.916.047.096
Net change in:			
Trade receivables			
Billed		**42.982.636**	102.039.708
Unbilled		**(6.858.393)**	(14.910.973)
Other financial assets		**(12.060.705)**	51.872.179
Other assets		**(11.658.879)**	6.315.426
Trade and other payables		**(1.141.844)**	(69.742.913)
Other financial liabilities		**(20.947.493)**	(1.617.041)
Unearned and deferred revenues		**21.254.257**	(3.201.814)
Provisions		**10.505.218**	759.390
Employee benefit obligations		**34.702.720**	34.107.283
Other liabilities		**27.198.276**	(80.696)
Cash generated from operations		**678.985.362**	2.021.587.645
Taxes paid (net of refunds)		**(41.540.165)**	(157.161.157)
Net cash provided by operating activities		**637.445.197**	1.864.426.488
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	10(a)	**(31.340.571)**	(49.009.093)
Purchase of investments (*)	10(a)	**(444.671)**	-
Proceeds from disposal of property, plant and equipment		**52.068**	15.907
Loan given to Fellow Subsidiary	10(b)	**(42.942.750)**	-
Purchase of intangible assets		**-**	(61.295)
Net cash used in investing activities		**(74.675.924)**	(49.054.481)

	Note	For the year ended December 31, 2021	For the year ended March 31, 2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	5	**(550.052.500)**	(1.665.583.344)
Lease liabilities		**(27.533.567)**	(32.222.650)
Net cash used in financing activities		**(577.586.067)**	(1.697.805.994)
Net change in cash and cash equivalents		**(14.816.794)**	117.566.013
Exchange difference on translation of foreign currency cash and cash equivalents		**(5.715.122)**	(7.898.792)
Cash and cash equivalents, beginning of the year		**144.434.351**	34.767.130
Cash and cash equivalents at the end of the year	8(a)	**123.902.435**	144.434.351
Supplementary cash flow information:			
Interest paid		**2.165.604**	3.967.385
Interest received		**863.442**	2.830.938
Dividend received		**17**	933.174.446

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Notes to the financial statements December 31, 2021

1. GENERAL INFORMATION

TCS Uruguay S.A. (the Company) is a private company whose headquarter is located on Monte Caseros 2600, in Montevideo, Uruguay.

The Company is part of a wider economic group, represented by TCS Iberoamerica S.A., therefore, the results of its operations could be affected to operate without this support.

The Company's main activities are the development of software, provision of IT services and process outsourcing services aimed at both local and foreign markets.

The financial statements have been approved by the Entity´s Board of Directors for their issuance on February 21, 2022 and will be submitted to the Shareholders meeting for approval.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") adopted by the International Accounting Standards Board (IASB), translated into Spanish, and interpretations prepared by the Interpretations Committee of the International Financial Reporting Standards or the previous Interpretations Committee, in accordance with the Appropriate Accounting Standards in Uruguay pursuant to Decrees 291/014, 292/014 and 124/011.

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Uruguayan peso. 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.

During the current period, the company has changed its financial year end from 31st, March to 31st, December and accordingly, the financial statements for the current period have been prepared for nine months commencing from April 1st, 2021 to December 31st, 2021. Previous year figures represent amounts for the year ended 31st, March 2021 and hence are not strictly comparable with current year figures.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

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

b. Useful lives of property, plant and equipment and intangibles

The Company reviews the useful life of property, plant and equipment and intangibles at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. 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.

d. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

f. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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g. Impact of COVID-19

Company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on leases etc.

5. NATURE AND PURPOSE OF RESERVES

Legal reserve

The Legal reserve has reached the maximum amount established by Article 93 of Law 16.060.

Retained earnings

On November 12, 2021 it was determined to distribute dividends in advanced for a total of $ 330.727.500 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On July 15, 2021 it was determined to distribute dividends in advanced for a total of $ 219.325.000 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On February 24, 2021 it was determined to distribute dividends in advanced for a total of $ 43.049.000 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On November 18, 2020 it was determined to distribute dividends in advanced for a total of $ 908.252.339 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On July 13, 2020 it was determined to distribute dividends in advanced for a total of $ 714.282.005 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

6. REGISTRATION OF FINANCIAL STATEMENTS

According to Decree 156/16 dated May 30, 2016, commercial companies will not be able to distribute dividends as long as they do not comply with the obligation to register, within the established terms, the financial statements to the Auditoría Interna de la Nación (AIN), institution that regulates the commercial companies.

To date, the Company has complied with this obligation for the year ended on March 31, 2021. For the nine months ended on December 31, 2021 the company has time to comply until June 30, 2022.

7. RECENT ACCOUNTING STANDARDS

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

Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use[1]
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract[1]
Amendments to IFRS 3	Business Combinations - Reference to Conceptual Framework[1]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[1]
Amendments to IAS 1	Classification of Liabilities[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]

[1]Effective for annual periods beginning on or after January 1, 2022.

[2]Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 – Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

The company has applied IFRIC-23 effective for annual periods beginning on or after January 1st, 2019 as follows.

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

8. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company´s obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(Uruguayan Pesos)

	As at December 31, 2021	As at March 31, 2021
Cash in hand	**24.379**	14.177
Current account balances with banks	**123.878.056**	144.420.174
Total	**123.902.435**	144.434.351

b. Investments

Investments consist of the following:

(Uruguayan Pesos)

Investments carried at cost	As at December 31, 2021	As at March 31, 2021
Fully paid equity shares		
i. TCS Argentina S.A.	**3.128**	3.128
ii. TCS Inversions Chile Ltda.	**29**	29
iii. MGDC S.C.	**73.116**	73.116
iv. TCS Guatemala S.A.	**444.671**	-
Total Investments - Non current	**520.944**	76.273

c. Trade receivables

Trade receivables consist of the following:

(Uruguayan Pesos)

Trade receivables – Billed - Current	**As at December 31,, 2021**	**As at March 31, 2021**
Trade receivables - Billed	**476.704.945**	555.387.825
Less: Provision for volume discount	**(13.999.363)**	(49.699.607)
Total	**462.705.582**	505.688.218

Trade receivables- Billed include balances with related parties amounting to UYU 465.361.951 and UYU 497.540.021 for the period ended on December 31,2021 and March 21, 2021 respectively. (Refer note 17).

d. Other financial assets

Other financial assets consist of the following:

(Uruguayan Pesos)

Other financial assets – Current	**As at December 31, 2021**	**As at March 31, 2021**
Employee advances (*)	**12.739.319**	1.534.622
Loan to related parties	**26.817.000**	-
Accrued Interest	**200.222**	61
Others	**44.695**	-
Total	**39.801.236**	1.534.683

(*) Include recoverable advances to foreign employees deputed in Uruguay.

(Uruguayan Pesos)

Other financial assets – Non-current	**As at December 31, 2021**	**As at March 31, 2021**
Deposits for premises	**3.842.645**	3.231.493
Loan to related parties	**16.760.625**	-
Total	**20.603.270**	3.231.493

e. Trade Payables

(Uruguayan Pesos)

	As at December 31, 2021	**As at March 31, 2021**
Trade payables	**18.502.462**	17.924.240
Accrued expenses	**10.072.949**	11.793.015
Total	**28.575.411**	29.717.255

f. Other financial liabilities

Other financial liabilities consist of the following:

(Uruguayan Pesos)

Other financial liabilities – Current	As at December 31, 2021	As at March 31, 2021
Accrued payroll	**17.601.428**	36.100.631
Capital Creditors	**4.270**	2.572.610
Security Deposits	**1.094.500**	974.450
Total	**18.700.198**	39.647.691

g. Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2021 is as follows:

(Uruguayan Pesos)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	**123.902.435**	**123.902.435**
Trade receivables		
Billed	**462.705.582**	**462.705.582**
Unbilled	**54.260.580**	**54.260.580**
Other financial assets	**60.404.506**	**60.404.506**
Total	**701.273.103**	**701.273.103**
Financial liabilities		
Trade payables	**28.575.411**	**28.575.411**
Lease liability	**53.669.781**	**53.669.781**
Other financial liabilities	**18.700.198**	**18.700.198**
Total	**100.945.390**	**100.945.390**

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(Uruguayan Pesos)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	144.434.351	144.434.351
Trade receivables		
Billed	505.688.218	505.688.218
Unbilled	47.402.187	47.402.187
Other financial assets	4.766.176	4.766.176
Total	702.290.932	702.290.932
Financial liabilities		
Trade payables	29.717.255	29.717.255
Lease Liabilities	81.110.955	81.110.955
Other financial liabilities	39.647.691	39.647.691
Total	150.475.901	150.475.901

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at December 31, 2021 and March 31, 2021 approximate the fair value. Difference between carrying amounts and fair values of other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented. Fair value measurement of lease liabilities is not required.

h. 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.

i. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company´s exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10 percentage against the respective functional currency of the Company.

The following analysis has been worked out based on the net exposures for Company as at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity.

The following table sets forth information relating to unhedged foreign currency exposure as at December 31, 2021 and March 31, 2021:

(Uruguayan Pesos)

December 2021	**USD**	**GBP**	**EUR**	**AUD**	**CAD**	**BRL**	**DKK**
Net financial assets	**643.627.933**	**10.662.199**	**7.417.791**	**340.799**	**8.528.840**	**2.929.488**	**(4.718)**
Net financial liabilitites	**29.419.371**	**263.881**	**297.604**	**(4.563)**	**9.821**	**-**	**-**

(Uruguayan Pesos)

March 2021	USD	GBP	EUR	AUD	CAD	BRL	BRL
Net financial assets	658.337.718	9.726.785	11.957.221	-	3.329.241	2.831.243	51.734
Net financial liabilitites	58.729.385	90.485	(65.368)	(4.732)	176.297	-	-

10 percentage appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before taxes by approximately UYU 64.351.622 for the period ended December 31, 2021 and UYU 62.730.787 for the year ended March 31, 2021 respectively.

- **Interest rate risk**

The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, and other financial assets. Cash and cash equivalents include an amount of held with a bank UYU 123.878.056 having high quality credit rating which are individually in excess of 10 percent or more of the Company's total cash and cash equivalents as at 31st December, 2021 (UYU 144.420.174 as at 31st March, 2021). None of the other financial instruments of the Company result in material concentration of credit risk

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was UYU 731.769.773 and UYU 724.943.876 as at December 31, 2021 and March 31, 2021 respectively, being the total of the carrying amount of balances with banks, trade receivables, contract assets and other financial assets.

Company's exposure to customers is diversified, and single customer which contributes individually to more than 10 percentage of outstanding trade receivable and contract assets as at December 31, 2021 and March 31, 2021, respectively are as follows:

	As at December 31, 2021		**As at March 31, 2021**	
	Total trade receivables and contract assets	**Percentage**	**Total trade receivables and contract assets**	**Percentage**
Customer A	**481.145.633**	**88**	527.447.170	92

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances) and contract assets is as follows:

	As at December 31, 2021	As at March 31, 2021
	Net %	Net %
Americas	**91**	93
Others	**9**	7
	100	100

Geographical concentration of trade receivables and contract assets is allocated based on the location of the customers.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(Uruguayan Pesos)

December 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	**28.575.411**	**-**	**-**	**-**	**28.575.411**
Lease liability (*)	**40.034.305**	**15.395.625**	**-**	**-**	**55.429.930**
Other financial liabilities	**18.700.198**	**-**	**-**	**-**	**18.700.198**
Total	**87.309.914**	**15.395.625**	**-**	**-**	**102.705.539**

(Uruguayan Pesos)

March 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	29.717.255	-	-	-	29.717.255
Lease liabilities (*)	39.789.260	34.460.633	10.776.938	-	85.026.831
Other financial liabilities	39.647.691	-	-	-	39.647.691
Total	109.154.206	34.460.633	10.776.938	-	154.391.777

(*) Amounts are presented at nominal value and not book value.

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j. Equity instruments

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

(Uruguayan Pesos)

	As at December 31, 2021	As at March 31, 2021
Authorised		
Equity shares of uruguayan pesos 1 each (540.000 shares)	**540.000**	540.000
Total	**540.000**	540.000
Issued, Subscribed and Fully paid up		
Outstanding balance of equi ty shares of uruguayan pesos 1 each (540.000)	**540.000**	540.000
Total	**540.000**	540.000

Details of shares held by shareholders in the Company Equity Shares.

(Uruguayan Pesos)

	As at December 31, 2021	As at March 31, 2021
TCS Iberoa merica S.A. (Holding Company)	**540.000**	540.000
% Holding in class	**100%**	100%

Fully paid equity shares, which have a par value of 540.000 Uruguayan pesos (UYU 1 each) carry one vote per share and have a right to dividend. In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

The Company's objective for capital management is to maximize 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.

9. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and 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 Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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.

The details of the right-of-use asset held by the Company is as follows:

(Uruguayan Pesos)

	Additions for nine months period ended December 31, 2021	Net carrying amount as on March 31, 2021
Buildings	-	**37.078.727**
Total	-	**37.078.727**

(Uruguayan Pesos)

	Addition for the year ended March 31, 2021	Net carrying amount as on March 31, 2021
Buildings	1.677.276	56.509.560
Total	1.677.276	56.509.560

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

Depreciation

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	Year ended March 31, 2021
Buildings	**19.430.833**	25.680.589
Total	**19.430.833**	25.680.589

Interest on lease liabilities are UYU 2.165.604 and UYU 3.967.385 for the period ended on December 31, 2021 and March 31, 2021 respectively.

The Company incurred UYU Nil and UYU Nil for the period ended December 31, 2021 and March 31, 2021 towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow are UYU 30.035.778 and UYU 36.940.806 for the period ended December 31, 2021 and March 31, 2021 respectively for long term and short term leases.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

10. NON-FINANCIAL ASSETS AND 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 values 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
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture, fixtures, office equipment and other assets	4-10 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.

Property, plant and equipment consist of the following:

(Uruguayan Pesos)

	Leasehold improvements	Computer equipments	Furniture & fixtures	Office equipments	Electrical Installations	Automobiles	Total
Gross block as of March 31, 2021	**224.516.685**	**110.694.480**	**38.856.046**	**14.131.251**	**1.781.054**	**-**	**389.979.516**
Purchases		**29.082.548**	**23.107**	**1.994.974**	**-**	**-**	**31.100.629**
Disposals		**(111.080)**	**(4.829)**		**-**	**-**	**(115.909)**
Gross block as of December 31, 2021	**224.516.685**	**139.665.948**	**38.874.324**	**16.126.225**	**1.781.054**	**-**	**420.964.236**
Accumulated depreciation as of March 31, 2021	**153.202.600**	**61.858.862**	**32.192.638**	**12.244.284**	**1.284.391**	**-**	**260.782.775**
Disposals		**(49.397)**	**(1.473)**		**-**	**-**	**(50.870)**
Depreciation for the year	**25.879.652**	**15.728.917**	**2.102.883**	**1.272.713**	**135.903**	**-**	**45.120.068**
Accumulated depreciation as of December 31, 2021	**179.082.252**	**77.538.382**	**34.294.048**	**13.516.997**	**1.420.294**	**-**	**305.851.973**
Net carrying amount as of December 31, 2021	**45.434.433**	**62.127.566**	**4.580.276**	**2.609.228**	**360.760**	**-**	**115.112.263**
Capital work-in-progress	**-**	**276.916**	**22**	**3.956**	**-**	**-**	**280.894**
Total							**115.393.157**

(Uruguayan Pesos)

	Leasehold improvements	Computer equipments	Furniture & fixtures	Office equipments	Electrical Installations	Automobiles	Total
Gross block as of March 31, 2020	231.738.941	76.059.710	38.342.901	14.102.742	1.781.054	481.318	362.506.666
Purchases	14.515.612	36.063.706	3.082.268	75.454	-	-	53.737.040
Disposals	(21.737.868)	(1.428.936)	(2.569.123)	(46.945)	-	(481.318)	(26.264.190)
Gross block as of March 31, 2021	224.516.685	110.694.480	38.856.046	14.131.251	1.781.054	-	389.979.516
Accumulated depreciation as of March 31, 2020	143.896.598	48.731.960	32.162.043	10.815.931	1.104.011	481.318	237.191.861
Disposals	(21.737.428)	(1.304.206)	(2.569.123)	(46.945)	-	(481.318)	(26.139.020)
Depreciation for the year	31.043.430	14.431.108	2.599.718	1.475.298	180.380	-	49.729.934
Accumulated depreciation as of March 31, 2021	153.202.600	61.858.862	32.192.638	12.244.284	1.284.391	-	260.782.775
Net carrying amount as of March 31, 2021	71.314.085	48.835.618	6.663.408	1.886.967	496.663	-	129.196.741
Capital work-in-progress	-	(3)	-	40.955	-	-	40.952
Total							129.237.693

b. 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.

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

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:

Intangible assets

(Uruguayan Pesos)

	Software Licences
Gross block as of March 31, 2021	**1.645.249**
Purchases	**-**
Disposals	**(1.303.146)**
Gross block as of December 31, 2021	**342.102**
Accumulated depreciation as of March 31, 2021	**1.511.334**
Disposals	**(1.303.146)**
Depreciation for the year	**64.437**
Accumulated depreciation as of December 31, 2021	**272.625**
Net carrying amount as of December 31, 2021	**69.477**
Intangible assets	

(Uruguayan Pesos)

	Software Licences
Gross block as of March 31, 2020	1.688.408
Purchases	61.295
Disposals	(104.454)
Gross block as of March 31, 2021	1.645.249
Accumulated depreciation as of March 31, 2020	1.543.196
Disposals	(104.454)
amortisation for the year	72.593
Accumulated depreciation as of March 31, 2021	1.511.335
Net carrying amount as of March 31, 2021	133.914

The estimated amortisation for the years subsequent to December 31, 2021 is as follows:

Intangible assets

(Uruguayan Pesos)

2022	**21.088**
2023	**20.132**
2024	**15.324**
2025	**12.933**
Total	**69.477**

c. Other assets

Other assets consist of the following:

(Uruguayan Pesos)

	As at December 31, 2021	As at March 31, 2021
Prepaid expenses	**208.465**	773.384
Advance to suppliers	**2.782.159**	3.573
Tax credit	**3.088.133**	1.492.424
Contract assets	**30.496.670**	22.652.944
Others	**5.777**	-
Total	**36.581.204**	24.922.325

Refer note 11 for changes in contract assets.

d. Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

(Uruguayan Pesos)

	As at December 31, 2021	As at March 31, 2021
Indirect tax payable and other statutory liabilities	**67.293.299**	40.095.023
Total	**67.293.299**	40.095.023

11. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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 the 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 is excess of revenue 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 is billings in excess of revenues.

The billing schedules agreed with customers could 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals, and geography.

Revenue disaggregation by nature of services is as follows:

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Consultancy services	**2.026.171.414**	2.503.898.483
Total	**2.026.171.414**	2.503.898.483

Revenue disaggregation by industry vertical is as follows:

Industry Vertical

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Banking, financial and insurance	**232.515.612**	222.576.021
Manufacturing	**242.054.064**	222.647.346
Retail and consumer products	**81.845.558**	79.900.373
Communication, media and technology	**1.068.905.781**	1.322.112.010
Life Sciences & Healthcare	**285.081.231**	521.834.437
Others	**115.769.168**	134.828.296
Total	**2.026.171.414**	2.503.898.483

Revenue disaggregation by geography is as follows:

Geography

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Americas	**1.888.850.077**	2.361.623.416
Others	**137.321.337**	142.275.067
Total	**2.026.171.414**	2.503.898.483

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is 1.666.809.064 Uruguayan Pesos out of which 57,94 percent is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

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Changes in contract assets are as follows:

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Balance at the beginning of the year	**22.652.944**	29.023.875
Increase due to revenue recognized during the year, excluding amounts billed during the year	**25.703.013**	15.538.501
Invoice raised that was included in the contract asset balance at the beginning of th period	**(17.884.813)**	(22.247.237)
Translation exchange difference	**25.526**	337.805
Total	**30.496.670**	22.652.944

Changes in unearned and deferred revenue (contract liabilities) are as follows:

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Balance at the beginning of the year	**16.580.886**	19.782.700
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year.	**(16.187.830)**	(17.662.744)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year.	**36.714.393**	14.796.081
Translation exchange difference	**727.694**	(335.151)
Total	**37.835.143**	16.580.886

12. OPERATING EXPENSES RECOGNITION

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

The costs of the Company are broadly categorized into employee benefits expenses, depreciation and amortization and other operating expenses. Employee benefits expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, and other expenses.

(Uruguayan Pesos)

Other operating expenses	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Communication	**10.280.922**	6.054.613
Facility Running Expenses	**32.928.855**	43.249.679
Fees to External consultants	**4.172.911**	5.516.173
Other Expenses	**54.105.320**	53.530.247
Travel Expenses	**23.947.341**	15.754.914
	125.435.349	124.105.626

(Uruguayan Pesos)

Expenses by function	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Cost of revenue	**1.209.660.184**	1.358.750.637
Selling, general and administrative expenses	**293.592.212**	305.465.540
	1.503.252.396	1.664.216.177

13. OTHER INCOME

a. Finance and other income

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

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Interest revenue - Bank deposits	**865.803**	1.104.487
Interest revenue - Other Deposits	**352.921**	417.110
Interest revenue- loan to related parties (Refer Note 17)	**197.801**	688.556
Dividends received - Subsidiaries (Refer note 17)	**19**	982.288.890
Total	**1.416.544**	984.499.043

b. Finance costs

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Interest on lease liabilities	**2.165.604**	3.967.385
Total	**2.165.604**	3.967.385

c. Other gains / (losses) net

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Gain/(loss) on disposal of property, plant and equipment	**(12.971)**	(109.263)
Net foreign exchange gains/(losses)	**2.960.288**	7.623.537
Others	**91.344**	16.116
Total	**3.038.661**	7.530.390

14. INCOME TAXES

Income Tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that is related to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets is recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

The income tax expense consists of the following:

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Current income tax expense		
Domestic	**36.415.125**	110.300.460
Overseas	**2.071.692**	2.571.507
	38.486.817	112.871.967
Deferred income tax expense / (benefit)		
Domestic	**(2.792.893)**	732.089
	(2.792.893)	732.089
Total income tax expense	**35.693.924**	113.604.056

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The reconciliation of income tax expense and book net income is as follows:

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Income before income taxes	**525.208.619**	1.827.744.354
Federal income tax rate	**25%**	25%
Expected income tax expense	**131.302.155**	456.936.089
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	**(358.947.049)**	(651.590.681)
Tax pertaining to prior years:		
Current Tax	**(62.111)**	113.632
Fixed Assets of SEZ/STP	**(4.016.433)**	(4.787.531)
Disallowable expenses:		
Income exempt related disallowed expenses	**267.573.563**	312.743.513
Other Permanent differences:		
Other adjustments	**(156.201)**	189.034
Total income tax expense	**35.693.924**	113.604.056

Significant components of net deferred tax assets and liabilities for the period ended December 31, 2021 are as follows:

(Uruguayan Pesos)

	Year ended March 31, 2021	Recognized / reversed through profit or loss	Recognised through retained earnings	Year ended December 31, 2021
Originated by:				
Property, plant and equipment	**1.814.297**	**(300.769)**	**-**	**1.513.528**
Lease liabilities	**676.047**	**568.746**	**-**	**1.244.793**
Provisions	**259.722**	**2.524.915**	**-**	**2.784.637**
	2.750.066	**2.792.892**	**-**	**5.542.958**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows

(Uruguayan Pesos)

	Year ended March 31, 2020	Recognized / reversed through profit or loss	Recognised through retained earnings	Year ended March 31, 2021
Originated by:				
Property, plant and equipment	2.406.788	(592.491)	-	1.814.297
Lease liabilities	876.777	(200.730)	-	676.047
Provisions	198.590	61.132	-	259.722
	3.482.155	(732.089)	-	2.750.066

Investment tax credit

On June 25, 2014 the Ministry of Economy and Finance determined to give a tax benefit to TCS Uruguay S.A. under regulatory Decree 455/07 of Law 16.906 of Promotion and protection of investments. This benefit grants an exemption of 20.277.929 IU from IRAE (Corporate income tax) for 40.71 percent of the eligible investment to be used in a 6-year term and an exemption from IP (Net worth tax) on movable fixed assets for the whole of their useful lives and on civil works for a term of 8 years.

Direct Tax Contingencies

There are no contingency in relation to Direct tax matters.

15. EMPLOYEE BENEFITS

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.

Employee cost consist of the following:

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Salaries, incentives and allowances	**1.167.411.209**	1.284.095.268
Contributions to Provident and Other Funds	**126.748.120**	150.546.326
Staff Welfare	**19.042.380**	29.985.841
	1.313.201.709	1.464.627.435

Employee benefit obligations consist of the following:

Employee benefit obligations – Current

(Uruguayan Pesos)

	As at December 31, 2021	As at March 31, 2021
Benefits to employees	**168.539.389**	134.041.521
Other employee benefit obligations	**1.103.163**	898.311
Total	**169.642.552**	134.939.832

16. COMMITMENTS AND CONTINGENCIES

Capital commitments

The Company has contractually committed (net of advances) UYU 11.239.448 and UYU 3.982.887 as at December 31, 2021 and March 31, 2021 respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

Refer note 14.

- **Indirect tax matters**

There are no contingency in relation to Indirect tax matters.

- **Other claims**

Claims aggregating UYU 1.321.029 and UYU 696.053 as at December 31, 2021 and March 31, 2021 respectively, against the Company have not been acknowledged as debts.

17. RELATED PARTY TRANSACTIONS AND BALANCES

Company's principal related parties consist of its ultimate holding company Tata Consultancy Services Limited and its subsidiaries, affiliates and key managerial personnel. The company's related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Transactions with related parties are as follows:

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Revenue from operations		
Tata Consultancy Services Limited	**1.721.799.705**	2.191.832.420
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**-**	10
Tata Consultancy Services Canada Inc.	**118.150.634**	127.750.192
Tata Consultancy Services Deutschland GmbH	**37.674.339**	30.090.334
Tata Consultancy Services Do Brasil Ltda	**14.141.629**	18.058.020
Tata Consultancy Services France SA	**3.421.093**	296.986

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Tata Consultancy Services Switzerland Ltd.	**52.666.634**	44.679.789
Tata Consultancy Services Netherlands BV	**1.031.519**	-
Total	**227.085.848**	220.875.331
Interest income		
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services Do Brasil Ltda	**-**	688.556
Tata Consultancy Services Guatemala S.A	**151.497**	-
TCS Iberoamerica SA	**46.304**	-
Total	**197.801**	688.556
Other income		
Subsidiaries of Tata Consultancy Services Limited		
TCS Inversiones Chile Limitada	**19**	-
MGDC S.C.	**-**	982.288.890
Total	**19**	982.288.890
Purchases of goods and services (including reimbursements)		
Associates and Joint ventures of TATA Sons Pvt Ltd.		
Titan Company Limited	**-**	1.200.490
Total	**-**	1.200.490
Tata Consulatancy Services Limited	**103.469.177**	162.793.384
Subsidiaries of Tata Consultancy Services Limited		
MGDC S.C.	**203.539**	(10.260)
Tata America International Corporation	**(3.031)**	139.919
Tata Consultancy Services De Mexico S.A.,De C.V.	**2.314.397**	2.869.461
TCS Inversiones Chile Limitada	**12.459.278**	19.879.729
Tata Consultancy Services Argentina S.A.	**-**	90.258
TCS Solution Center S.A.	**(39.349)**	661.877
Tata Consultancy Services Do Brasil Ltda	**(35.722)**	8.220
Tata Consultancy Services Canada Inc.	**(147.561)**	-
Total	**14.751.551**	23.639.204
Brand equity contribution		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**193.215**	227.977
Total	**193.215**	227.977
Dividend paid		

Notes to the financial statements December 31, 2021

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Subsidiaries of Tata Consultancy Services Limited		
TCS Iberoamerica SA	**550.052.500**	1.665.583.344
Total	**550.052.500**	1.665.583.344

Balances receivable from related parties are as follows:

(Uruguayan Pesos)

	As at December 31, 2021	As at March 31, 2021
Trade receivables and unbilled receivables and contract assets		
Tata Consultancy Services Limited	**481.145.633**	527.447.164
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**8.648.765**	8.547.428
Tata Consultancy Services Canada Inc.	**14.079.629**	6.850.470
Tata Consultancy Services Deutschland GmbH	**6.372.998**	9.069.360
Tata Consultancy Services Do Brasil Ltda	**3.222.144**	2.831.243
Tata Consultancy Services France SA	**3.601.269**	-
Tata Consultancy Services Switzerland Ltd.	**11.348.982**	8.409.392
Tata Consultancy Services Netherlands BV	**1.033.808**	-
Total	**48.307.595**	35.707.893
Loans, other financial assets and other assets		
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services De Mexico S.A.,De C.V.	**167.727**	-
TCS Guatemala S.A.	**16.958.937**	-
TCS Iberoameri ca S.A.	**26.863.304**	-
Total	**43.989.968**	-

Balances payable to related parties are as follows:

(Uruguayan Pesos)

	As at December 31, 2021	As at March 31, 2021
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**193.215**	227.977
Total	**193.215**	227.977
Tata Consultancy Services Limited	**34.746.203**	24.947.087
Subsidiaries of Tata Consultancy Services Limited		
TCS Inversiones Chile Limitada	**4.406.631**	4.767.998
Tata Consultancy Services Canada Inc.	**2.115.616**	735.518
Tata Consultancy Services De Mexico S.A.,De C.V.	**438.389**	358.010
MGDC S.C.	**82.475**	-
Tata Consul tancy Services Deutschland GmbH	**6.738.994**	-
Tata Consul tancy Services France SA	**175.742**	-
Total	**13.957.847**	5.861.526

Compensation to key management personnel

(Uruguayan Pesos)

	For the nine months period ended December 31, 2021	For the year ended March 31, 2021
Short-term benefits	**8.952.515**	9.961.817
Total	**8.952.515**	9.961.817

18. SUBSEQUENT EVENTS

There were no subsequent events that meet disclosure

TCS SOLUTION CENTER S.A.

FINANCIAL STATEMENTS

For the year ended

December 31, 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF
TCS SOLUTION CENTER S.A.

Opinion

We have audited the financial statements of TCS Solution Center S.A. (the "Company"), which comprise the statement of financial position as of December 31, 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine months period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TCS Solution Center S.A. as of December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uruguay, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether TCS Solution Center S.A.'s financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Montevideo, Uruguay
February 21, 2022

Statement of Financial Position

(Uruguayan Pesos)

	Note	As at December 31, 2021	As at March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	8 (a)	**933.225.209**	1.150.351.537
Trade receivables			
Billed	8 (c)	**930.469.197**	479.376.005
Unbilled		**197.635.647**	217.312.223
Other financial assets	8 (d)	**18.774.699**	6.125.930
Other assets	10 (c)	**100.242.455**	64.784.220
Total current assets		**2.180.347.207**	1.917.949.915
Non-current assets			
Investments	8 (b)	**914**	914
Other financial assets	8 (d)	**2.231.896**	5.559.238
Deferred tax assets (net)	14	**98.162.056**	80.652.185
Property, plant and equipment	10 (a)	**436.344.164**	553.245.102
Right-of-use assets	9	**270.245.242**	324.146.876
Intangible assets	10 (b)	**1.747.816**	2.308.606
Trade receivables			
Unbilled		**-**	1.187.883
Other assets	10 (c)	**10.297.061**	14.474.669
Total non-current assets		**819.029.149**	981.575.473
TOTAL ASSETS		**2.999.376.356**	2.899.525.388
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	8 (e)	**96.245.884**	107.589.112
Lease liabilities		**76.556.302**	100.965.818
Other financial liabilities	8 (f)	**36.252.060**	5.171.789
Unearned and deferred revenue		**125.537.055**	49.625.344
Employee benefit obligations	15	**254.047.067**	212.663.343
Income tax liabilities (net)		**13.830.168**	38.809.077
Provisions		**9.272.363**	6.078.464
Other liabilities	10 (d)	**153.592.567**	66.679.896
Total current liabilities		**765.333.466**	587.582.843
Non-current liabilities			
Lease liabilities		**204.681.191**	246.135.032
Total non-current liabilities		**204.681.191**	246.135.032
TOTAL LIABILITIES		**970.014.657**	833.717.875
Equity			
Share Capital	8 (j)	**359.244.073**	359.244.073
Legal Reserves		**71.848.815**	71.848.815
Other equity		**50.385.211**	181.836.211
Retained Earnings		**1.547.883.600**	1.452.878.414
TOTAL EQUITY		**2.029.361.699**	2.065.807.513
TOTAL LIABILITIES AND EQUITY		**2.999.376.356**	2.899.525.388

SEE NOTES TO ACCOMPANYING FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

(Uruguayan Pesos)

	Note	For nine months period ended December 31, 2021	For the year ended March 31, 2021
Revenues			
Revenue from operations	11	**3.722.619.595**	4.430.215.862
TOTAL REVENUES		**3.722.619.595**	4.430.215.862
Operating expenses			
Employee benefits expenses	15	**2.265.966.728**	2.499.931.006
Depreciation and amortisation expense	9 and 10	**238.499.174**	373.442.420
Other operating expenses	12	**533.492.214**	651.227.291
TOTAL OPERATING EXPENSES		**3.037.958.116**	3.524.600.717
Operating income		**684.661.479**	905.615.145
Other income			
Finance and other income	13 (a)	**29.656.266**	4.943.027
Other gains / (losses), net	13 (c)	**16.773.759**	(11.963.018)
Finance costs	13 (b)	**(16.835.619)**	(36.179.318)
OTHER INCOME (NET)		**29.594.406**	(43.199.309)
Profit before taxes		**714.255.885**	862.415.836
Income tax	14	**146.541.949**	171.442.302
Profit for the year		**567.713.936**	690.973.534
OTHER COMPREHENSIVE INCOME (OCI)			
Items that are or may be reclassified to profit or loss:			
Translation adjustment		**(131.451.000)**	152.163.886
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**436.262.936**	843.137.420

SEE NOTES TO ACCOMPANYING FINANCIAL STATEMENTS

Statement of Changes in Equity

(Uruguayan Pesos)

	Equity Share capital	Legal reserves	Other equity	Retained earnings	Total equity
Balance as at March 31, 2020	359.244.073	46.607.892	29.672.325	972.682.503	1.408.206.793
Other comprehensive income			152.163.886	-	152.163.886
Profit for the year	-	-	-	690.973.534	690.973.534
Total comprehensive income / (losses)	-	-	152.163.886	690.973.534	843.137.420
Dividend (Note 5)	-	-	-	(185.536.700)	(185.536.700)
Legal reserve (Note 5)	-	25.240.923	-	(25.240.923)	-
Balance as of March 31, 2021	359.244.073	71.848.815	181.836.211	1.452.878.414	2.065.807.513
Other comprehensive income	**-**	**-**	**(131.451.000)**	**-**	**(131.451.000)**
Profit for the year	**-**	**-**	**-**	**567.713.936**	**567.713.936**
Total comprehensive income / (losses)	**-**		**(131.451.000)**	**567.713.936**	**436.262.936**
Dividend (Note 5)	**-**		**-**	**(472.708.750)**	**(472.708.750)**
Balance as of December 31, 2021	**359.244.073**	**71.848.815**	**50.385.211**	**1.547.883.600**	**2.029.361.699**

SEE NOTES TO ACCOMPANYING FINANCIAL STATEMENTS

Statement of Cash Flows

(Uruguayan Pesos)

	Note	For nine months period ended December 31, 2021	For the year ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**567.713.936**	690.973.534
Adjustments to reconcile Profit or loss to net cash provided by operating activities:			
Depreciation and amortisation expense	9 and10	**238.499.174**	373.442.420
Income tax expense	14	**146.541.949**	171.442.302
Unrealised foreign exchange (gain) / loss		**(2.010.208)**	(9.912.352)
Loss on disposal of property, plant and equipment	13(c)	**66.870**	851.804
Allowances for doubtful trade receivables and bad debts written off		**35.918.522**	34.238.789
Lease concession		**(2.502.126)**	(5.758.105)
Net change in			
Trade receivables			
Billed		**(534.199.593)**	167.201.490
Unbilled		**7.665.851**	39.979.724
Other financial assets		**(9.960.275)**	5.880.401
Other assets		**(38.194.503)**	81.331.607
Trade and other payables		**(5.541.956)**	(47.827.707)
Other financial liabilities		**32.781.171**	(42.946.349)
Unearned and deferred revenues		**82.113.050**	(3.583.114)
Employee benefit obligations		**53.079.463**	27.200.625
Other liabilities		**94.661.935**	1.717.159
Provisions		**3.315.816**	(1.322.488)
Cash generated from operations		**669.949.076**	1.482.909.740
Taxes paid (net of refunds)		**(194.165.637)**	(214.537.269)
Net cash provided by operating activities		**475.783.439**	1.268.372.471
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	10(a)	**(92.942.936)**	(235.979.748)
Proceeds from sale of property and equipment	10(a)	**84.332**	401.904
Purchase of intangible assets	10(b)	**-**	(2.977.286)
Net cash used in investing activities		**(92.858.604)**	(238.555.130)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		**(73.173.609)**	(101.591.746)
Dividends paid	5	**(472.708.750)**	(185.536.700)
Net cash used in financing activities		**(545.882.359)**	(287.128.446)
Net change in cash		**(162.957.524)**	742.688.895
Exchange difference on translation of foreign currency cash and cash equivalents		**(54.168.804)**	55.135.903
Cash and cash equivalents, beginning of the year		**1.150.351.537**	352.526.739
Cash and cash equivalents at the end of the year	8(a)	**933.225.209**	1.150.351.537
Supplementary cash flow information:			
Interest paid		**16.835.619**	36.179.318
Interest received		**1.694.795**	779.500
Dividend received		**26.235.846**	3.648.200

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Notes forming part of the Financial Statements

1. GENERAL INFORMATION

TCS Solution Center S.A. (the "Company") is a private company and user of the tax free zone according to Law 15.921, located in República Oriental del Uruguay (R.O.U.). Its offices and headquarters are situated in Zonamerica, on Ruta 8 Km. 17.500, Montevideo.

The Company has a branch office offshore, TCS Solution Center (Colombia Branch) in Bogotá D.C., incorporated on August 15, 2006 in accordance with Colombian law.

These financial statements have been consolidated with such branch.

The Company's main activities are the development of software, and provision of IT services within the Tax free zone and offshore.

The financial statements have been approved by the Entity´s Board of Directors for their issuance on Feb 21st, 2022 and will be submitted to the Shareholders meeting for approval.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") adopted by the International Accounting Standards Board (IASB), translated into Spanish, and interpretations prepared by the Interpretations Committee of the International Financial Reporting Standards or the previous Interpretations Committee, in accordance with the Appropriate Accounting Standards in Uruguay pursuant to Decrees 291/014, 292/014 and 124/011.

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the 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 Company 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 company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Uruguayan peso. 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.

During the current period, the company has changed its financial year end from 31st, March to 31st, December and accordingly, the financial statements for the current period have been prepared for nine months commencing from 1st, April 2021 to 31st, December 2021. Previous year figures represent amounts for the year ended 31st, March 2021 and hence are not strictly comparable with current year figures.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

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

b. Useful lives of property, plant and equipment and intangibles

The Company reviews the useful life of property, plant and equipment and intangibles at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. 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.

d. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

f. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

g Impact of COVID-19

Company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on leases etc.

5. NATURE AND PURPOSE OF RESERVES

Legal reserve

The legal reserve is a reserve fund created in compliance with article 93 of Law 16.060 for commercial companies, which establishes that no less than 5 percentage of the net profit for the year should be used to increase the mentioned reserve, until it reaches 20 tpercent of the paid-in capital.

On May 22, 2020, Ordinary General Meeting of Shareholders determined to create legal reserve for a total of $25.240.923 Uruguayan Pesos.

Retained earnings

On November 12, 2021 it was determined to distribute dividends in advanced for a total of $ 220.485.000 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On July 15, 2021 it was determined to distribute dividends in advanced for a total of $ 252.223.750 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On November 18, 2020 it was determined to distribute dividends in advanced for a total of $ 98.138.700 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

On July 13, 2020 it was determined to distribute dividends in advanced for a total of $ 87.398.000 Uruguayan Pesos in accordance to article 100 of Law 16.060, which have been cancelled at year end.

Other equity

The balance of the account corresponds to the difference of exchange rate in the Colombia branch with functional currency Colombian Pesos, within an equity account as set forth in IAS 21.

6. REGISTRATION OF FINANCIAL STATEMENTS

According to Decree 156/16 dated May 30, 2016, commercial companies will not be able to distribute dividends as long as they do not comply with the obligation to register, within the established terms, the financial statements to the Auditoría Interna de la Nación (AIN), institution that regulates the commercial companies.

To date, the Company has complied with this obligation for the year ended on March 31, 2021. For the year ended on December 31, 2021 the Company has time to comply until June 30, 2022.

7. RECENT ACCOUNTING STANDARDS

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

Amendments to IFRS 16	Property, plant and equipment: Proceeds before intended use[1]
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract[1]
Amendments to IFRS 3	Business Combinations - Reference to Conceptual Framework[1]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[1]
Amendments to IAS 1	Classification of Liabilities[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]

[1]Effective for annual periods beginning on or after January 1, 2022.

[2]Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 – Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

The company has applied IFRIC-23 effective for annual periods beginning on or after January 1st, 2019 as follows.

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

8. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company´s obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

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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.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(Uruguayan Pesos)

	As at December 31, 2021	As at March 31, 2021
Cash in hand	**73.055**	83.491
Current account balances with banks	**933.152.154**	1.150.268.046
Total	**933.225.209**	1.150.351.537

b. Investments

Investments consist of the following:

Investments – Non current

(Uruguayan Pesos)

Investments carried at cost	As at December 31, 2021	As at March 31, 2021
Fully paid equity shares		
i. Tata Consultancy Services De Mexico S.A. De C.V	**906**	906
ii. MGDC S.C.	**8**	8
Total Investments - Non current	**914**	914

c. Trade receivables - Billed

Trade receivables - Billed consist of the following:

(Uruguayan Pesos)

Trade receivables – Billed - Current	As at December 31, 2021	As at March 31, 2021
Trade receivables - Billed	**1.005.136.016**	519.989.349
Less: Allowance for doubtful trade receivables - Billed	**(70.284.111)**	(37.147.109)
Less: Provision for volume discount	**(4.382.708)**	(3.466.235)
Total	**930.469.197**	479.376.005

Trade receivables – Billed include balances with related parties amounting to UYU 327.605.077 and UYU 157.152.220 for the period ended on December 31, 2021 and March 31, 2021 respectively. (Refer Note 17).

d. Other financial assets

Other financial assets consist of the following:

(Uruguayan Pesos)

Other financial assets – Current	As at December 31, 2021	As at March 31, 2021
Employee advances (*)	**18.647.006**	6.122.911
Accrued Interest	**122.093**	242
Others	**5.600**	2.777
Total	**18.774.699**	6.125.930

(*) Include recoverable advances to foreign employees deputed in Uruguay and Colombia.

(Uruguayan Pesos)

Other financial assets – Non-current	As at December 31, 2021	As at March 31, 2021
Deposits for premises	**2.231.896**	1.989.238
Others	**-**	3.570.000
Total	**2.231.896**	5.559.238

e. Trade Payables

(Uruguayan Pesos)

	As at December 31, 2021	As at March 31, 2021
Trade payables	**68.665.168**	78.957.447
Accrued expenses	**27.580.716**	28.631.665
Total	**96.245.884**	107.589.112

f. Other financial liabilities

Other financial liabilities consist of the following:

(Uruguayan Pesos)

Other financial liabilities – Current	As at December 31, 2021	As at March 31, 2021
Capital Creditors	**35.652.560**	4.539.090
Security Deposits	**599.500**	632.699
Total	**36.252.060**	5.171.789

g. Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2021 is as follows:

(Uruguayan Pesos)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	**933.225.209**	**933.225.209**
Trade receivables		
Billed	**930.469.197**	**930.469.197**
Unbilled	**197.635.647**	**197.635.647**
Other financial assets	**21.006.595**	**21.006.595**
Total	**2.082.336.648**	**2.082.336.648**
Financial liabilities		
Trade payables	**96.245.884**	**96.245.884**
Lease liability	**281.237.493**	**281.237.493**
Other financial liabilities	**36.252.060**	**36.252.060**
Total	**413.735.437**	**413.735.437**

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

(Uruguayan Pesos)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	1.150.351.537	1.150.351.537
Trade receivables		
Billed	479.376.005	479.376.005
Unbilled	218.500.106	218.500.106
Other financial assets	11.685.168	11.685.168
Total	1.859.912.816	1.859.912.816
Financial liabilities		
Trade payables	107.589.112	107.589.112
Lease Liabilities	347.100.850	347.100.850
Other financial liabilities	5.171.789	5.171.789
Total	459.861.751	459.861.751

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at December 31, 2021 and March 31, 2021 approximate the fair value. Difference between carrying amounts and fair values of other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented. Fair value measurement of lease liabilities is not required.

h. 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.

i. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company´s exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10 percent against the respective functional currency of the Company.

The following analysis has been worked out based on the net exposures for Company as at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity.

The following table sets forth information relating to unhedged foreign currency exposure as at December 31, 2021 and March 31,2021:

(Uruguayan Pesos)

December 31, 2021	USD	GBP	CAD	COP	MXN	ARS
Net financial assets	**848.669.980**	**(466.154)**	**-**	**1.196.468.131**	**4.966.545**	**1.052.221**
Net financial liabilitites	**100.541.968**	**(0)**	**109.887**	**296.874.144**	**212.001**	**-**

December 31, 2021	AUD	EUR	DKK	PEN	UDF	CLP
Net financial assets	**-**	**10.335.604**	**8.192.416**	**-**	**312.164**	**467.807**
Net financial liabilitites	**-**	**(5.890)**	**(3.574)**	**-**	**-**	**-**

(Uruguayan Pesos)

March 31, 2021	USD	GBP	CAD	COP	MXN	ARS
Net financial assets	695.935.119	(482.160)	-	1.134.081.311	1.259.409	1.192.840
Net financial liabilitites	124.005.566	-	-	325.023.331	220.444	-
March 31, 2021	**AUD**	**EUR**	**DKK**	**PEN**	**UDF**	**CLP**
Net financial assets	2.153.390	18.460.405	3.821.318	-	-	274.001
Net financial liabilitites	1.249	79.889	(134)	9.660	-	-

10 percent appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before taxes by approximately UYU 167.227.018 for the period ended December 31, 2021 and UYU 140.735.563 for the year ended March 31, 2021 respectively.

- **Interest rate risk**

The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents and other financial assets. Cash and cash equivalents include an amount of 383.937.150 Uruguayan Pesos held with a bank in Uruguay and 507.047.816 Uruguayan Pesos held with banks in Colombia having high quality credit rating which are individually in excess of 10 percent or more of the Company's total cash and cash equivalents as at December 31, 2021 (an amount of 485.617.208 Uruguayan Pesos held with a bank in Uruguay and 629.304.604 Uruguayan Pesos held with banks in Colombia as at March 31, 2021). None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was UYU 2.147.441.689 and UYU 1.873.754.062 as at December 31, 2021 and March 31, 2021, respectively, being the total of the carrying amount of balances with banks, trade receivables, contract assets and other financial assets.

Company's exposure to customers is diversified, and single customer which contributes individually to more than 10 percent of outstanding trade receivable and contract assets as at December 31, 2021 and March 31, 2021, respectively are as follows:

(Uruguayan Pesos)

	As at December 31, 2021		As at March 31, 2021	
	Total trade receivables and contract assets	Percentage	Total trade receivables and contract assets	Percentage
Customer B	**352.176.509**	**30**	135.723.757	19
Customer A	**274.949.778**	**23**	233.489.188	33
Customer C	**176.423.445**	**15**	-	-

Geographic concentration of credit risk

Geographic concentration of trade receivables (net of allowances) and contract assets is as follows:

	As at December31, 2021	As at March 31, 2021
	Net %	Net %
Americas	**96**	91
Others	**4**	9

Geographical concentration of trade receivables and contract assets is allocated based on the location of the customers.

The allowance for lifetime expected credit loss on trade receivables for the period ended December 31, 2021 and March 31, 2021 was UYU 70.284.111 and UYU 37.147.109, respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(Uruguayan Pesos)

	Nine months perid ended December 31,2021	Year ended March 31, 2021
Balance at the beginning of the Year	**37.147.109**	2.496.930
Changes during the year	**35.918.522**	34.768.806
Translation Exchnage difference	**(2.781.520)**	(118.627)
Balance at the End of the Year	**70.284.111**	37.147.109

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(Uruguayan Pesos)

December 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	**96.245.884**	**-**	**-**	**-**	**96.245.884**
Lease liability (*)	**94.017.853**	**67.486.621**	**121.022.472**	**54.930.878**	**337.457.824**
Other financial liabilities	**36.252.060**	**-**	**-**	**-**	**36.252.060**
Total	**226.515.797**	**67.486.621**	**121.022.472**	**54.930.878**	**469.955.768**

(Uruguayan Pesos)

March 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	107.589.112	-	-	-	107.589.112
Lease liabilities (*)	121.696.482	73.488.741	141.481.564	83.469.469	420.136.256
Other financial liabilities	5.171.789	-	-	-	5.171.789
Total	234.457.383	73.488.741	141.481.564	83.469.469	532.897.157

(*) Amounts are presented at nominal value and not book value.

i. Equity instruments

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

(Uruguayan Pesos)

	As at March 31, 2021	As at March 31, 2021
Authorised		
Equity shares of uruguayan pesos 1 each (359.244.073shares)	**359,244,073**	359,244,073
Total	**359,244,073**	359,244,073
Issued, Subscribed and Fully paid up		
Outstanding balance of Equity shares of uruguayan pesos 1 each (359.244.073 shares)	**359,244,073**	359,244,073
Total	**359,244,073**	359,244,073

Details of shares held by shareholders in the Company Equity Shares

(Uruguayan Pesos)

	As at March 31, 2021	As at March 31, 2021
TCS Iberoa merica S.A. (Holding Company)	**359,244,073**	359,244,073
% Holding in class	**100%**	100%

Fully paid equity shares, which have a par value of 35.924.4073 Uruguayan pesos (UYU 1 each) carry one vote per share and have a right to dividend. In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

The Company's objective for capital management is to maximize shareholder value, safetguard 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.

9. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the nonlease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets is depreciated usin 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised insubstance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and 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 Company recognises any remaining amount of the remeasurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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.

The details of the right-of-use asset held by the Company is as follows:

(Uruguayan Pesos)

	Additions for nine months period ended December 31, 2021	Net carrying amount as on December 31, 2021
ROU Leasehold Building	**31,644,096**	**216,331,167**
ROU Leasehold improvements	**-**	**53,914,075**
Total	**31,644,096**	**270,245,242**

(Uruguayan Pesos)

	Addition for the year ended March 31, 2021	Net carrying amount as on March 31, 2021
ROU Leasehold Building	67,253,572	258,761,014
ROU Computer equipment	10,970	394,020
ROU Leasehold improvements	-	64,991,842
Total	67,264,542	324,146,876

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

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	Year ended March 31, 2021
ROU Leasehold Building	**57.567.974**	69.916.347
ROU Computer equipment	**379.939**	14.947.828
ROU Leasehold improvements	**6.428.375**	8.675.540
Total	**64.376.288**	93.539.715

Interest on lease liabilities is UYU 16.062.997 for the period ended on December 31, 2021 (UYU 23.918.500 for the year ended on March 31, 2021).

The Company incurred UYU 12.296.963 for the period ended December 31, 2021 (UYU 33.859.593 for the year ended March 31, 2021) towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow is UYU 101.533.569 for the period ended December 31, 2021 for long term and short term leases (UYU 159.394.068 for the year ended March 31, 2021).

The Company has applied the practical expedient available under IFRS 16 with respect to COVID -19 rent concessions and accordingly credited the lease concessions of UYU 2.502.125 received during the period to the profit or loss for the period.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

10. NON-FINANCIAL ASSETS AND 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 values 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**
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture, fixtures, office equipment and other assets	4-10 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.

Notes forming part of the Financial Statements

Property, plant and equipment consists of the following:

(Uruguayan Pesos)

	Leasehold improvements	Computer equipments	Furniture & fixtures	Office equipments	Electrical Installations	Total
Gross block as of March 31, 2021	128.761.552	1.491.812.554	15.848.595	22.736.482	24.362.665	1.683.521.848
Purchases		91.603.397	358.047	964.245	1.156.753	94,082,4452
Disposals		(8.278.753)				(8.278.753)
Effect of foreign currency translations	(6.897.839)	(112.248.977)	(719.813)	(1.262.191)	(1.824.573)	(122.953.393)
Gross block as of December 31, 2021	121.863.713	1.462.888.221	15.486.829	22.438.536	23.694.845	1.646.372.144
Accumulated depreciation as of March 31, 2021	113.704.336	974.884.752	13.443.086	13.989.878	15.442.603	1.131.464.655
Disposals	-	(8.127.551)	-	-	-	(8.127.551)
Depreciation for the year	11.727.994	157.252.522	578.889	2.161.546	1.841.145	173.562.096
Effect of foreign currency translations	(6.529.707)	(77.656.188)	(684.263)	(771.393)	(1.223.716)	(86.865.267)
Accumulated depreciation as of December 31,2021	118.902.623	1.046.353.535	13.337.712	15.380.031	16.060.032	1.210.033.933
Net carrying amount as of December 31,2021	2.961.090	416.534.686	2.149.117	7.058.505	7.634.813	436.338.211
Capital work-in-progress	-	-	-	-	5.953	5.953
Total						436.344.164

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(Uruguayan Pesos)

	Leasehold improvements	Computer equipments	Furniture & fixtures	Office equipments	Electrical Installations	Total
Gross block as of March 31, 2020	137.957.839	1.154.463.790	14.200.894	19.154.308	19.699.820	1.345.476.646
Purchases	-	230.786.291	1.429.915	2.329.795	2.259.337	236.805.338
Disposals	(19.159.827)	(35.130.630)	(821.944)	(431.346)	(32.561)	(55.576.308)
Effect of foreign currency translations	9.963.545	141.693.103	1.039.730	1.683.725	2.436.069	156.816.172
Gross block as of March 31, , 2021	128.761.552	1.491.812.554	15.848.595	22.736.482	24.362.665	1.683.521.848
Accumulated depreciation as of March 31, 2020	107.731.481	668.096.062	12.705.891	10.476.284	11.663.314	810.673.032
Disposals	(19.159.827)	(34.260.311)	(821.943)	(47.956)	(32.561)	(54.322.598)
Depreciation for the year	71.258.989	256.268.821	604.591	2.745.779	2.355.845	279.234.025
Effect of foreign currency translations	7.873.693	84.780.180	954.547	815.771	1.456.005	95.880.196
Accumulated depreciation as of March 31,2021	113.704.336	974.884.752	13.443.086	13.989.878	15.442.603	1.131.464.655
Net carrying amount as of March 31,2021	15.057.216	516.927.802	2.405.509	8.746.604	8.920.062	552.057.193
Capital work-in-progress	-	1.187.909	-	-	-	1.187.909
Total						553.245.102

b. 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.

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

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:

Intangible assets

	(Uruguayan Pesos)
	Software Licences
Gross block as of March 31, 2021	**19.545.508**
Purchases	
Disposals	**(16.017.275)**
Effect of foreign currency translations	**(550.947)**
Gross block as of December 31, 2021	**2.977.286**
Accumulated depreciation as of March 31, 2021	**17.236.902**
Disposals	**(16.017.275)**
Amortisation for the year	**560.790**
Depreciation for the year	**(550.947)**
Accumulated depreciation as of December 31, 2021	**1.229.470**
Net carrying amount as of December 31, 2021	**1.747.816**

	(Uruguayan Pesos)
	Software Licences
Gross block as of March 31, 2020	15.176.218
Purchases	2.977.286
Disposals	(292.203)
Effect of foreign currency translations	1.684.207
Gross block as of March 31, 2021	19.545.508
Accumulated depreciation as of March 31, 2020	15.176.218
Disposals	(292.203)
Amortisation for the year	668.680
Effect of foreign currency translations	1.684.207
Accumulated depreciation as of March 31, 2021	17.236.902
Net carrying amount as of March 31, 2021	2.308.606

The estimated amortisation for the years subsequent to March 31, 2021 is as follows:

Intangible assets

	(Uruguayan Pesos)
2022	**747.720**
2023	**747.720**
2024	**252.376**
Total	**1.747.816**

c. Other assets

Other assets consist of the following:

Other assets – Current

(Uruguayan Pesos)

	As of December 31, 2021	As of March 31, 2021
Prepaid expenses	**9.097.394**	18.319.987
Advance to suppliers	**28.425**	449.376
Indirect tax recoverable	**0**	3.780.987
Other current assets	**(75.760)**	0
Contract assets	**65.042.613**	13.786.560
Contract fulfillment costs (*)	**26.149.783**	28.447.310
Total	**100.242.455**	64.784.220

Other non current assets

(Uruguayan Pesos)

	As of December 31, 2021	As of March 31, 2021
Prepaid expenses	**2.476.099**	1.704.225
Contract assets	**62.428**	54.686
Contract fulfillment costs (*)	**7.758.534**	12.715.758
Total	**10.297.061**	14.474.669

(*) Contract fulfillment costs of UYU 30.725.741 and UYU 16.159.699 for the period ended December 31, 2021 and March 31, 2021, respectively, have been amortised in the profit or loss.

Refer note 11 for changes in contract assets.

d. Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

(Uruguayan Pesos)

	As of December 31, 2021	As at March 31, 2020
Advance received from customers	**153.473.816**	1.442
Indirect tax payable and other statutory liabilities	**-**	66.666.554
Others	**118.751**	11.900
Total	**153.592.567**	66.679.896

11. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method .
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company´s contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Such costs are amortised over the contractual period or useful life of the 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 is excess of revenue 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 is billings in excess of revenues.

The billing schedules agreed with customers could 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals, and geography.

Revenue disaggregation by nature of services is as follows:

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	Year ended March 31, 2021
Consultancy services	**3.680.953.362**	4.389.087.753
Sale of equipment and software licences	**41.666.233**	41.128.109
Total	**3.722.619.595**	4.430.215.862

Revenue disaggregation by industry vertical is as follows:

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	Year ended March 31, 2021
Banking, financial and insurance	**2.324.874.608**	2.834.956.315
Manufacturing	**38.185.431**	36.427.338
Retail and consumer products	**454.057.344**	323.504.655
Communication, media and technology	**370.987.775**	439.977.201
Others	**534.514.437**	795.350.353
Total	**3.722.619.595**	4.430.215.862

Revenue disaggregation by geography is as follows:

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	Year ended March 31, 2021
Americas	**3.497.560.081**	4.114.517.837
Others	**225.059.514**	315.698.025
Total	**3.722.619.595**	4.430.215.862

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is 2.743.594.729 Uruguayan Pesos out of which 46,54 percent is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	Year ended March 31, 2021
Balance at the beginning of the year	**13.841.246**	13.827.573
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year.	**62.652.940**	(13.827.555)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year.	**(10.882.800)**	15.943.908
Translation exchange difference	**(506.345)**	3.838.790
Balance at the end of the year	**65.105.041**	13.841.246

Changes in unearned and deferred revenue (contract liabilities) are as follows:

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	Year ended March 31, 2021
Balance at the beginning of the year	**49.625.344**	49.191.875
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	**(28.518.901)**	(47.635.513)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year.	**106.592.463**	41.698.490
Translation exchange difference	**(2.161.851)**	6.370.492
Balance at the end of the year	**125.537.055**	49.625.344

12. OPERATING EXPENSES RECOGNITION

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

The costs of the Company are broadly categorized into employee benefits expenses, depreciation and amortization and other operating expenses. Employee benefits expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, and other expenses.

(Uruguayan Pesos)

Other operating expenses	Nine months period ended December 31, 2021	Year ended March 31, 2021
Fees to External consultants	**119.436.648**	144.230.471
Facility Running Expenses	**47.608.751**	86.008.487
Travel Expenses	**24.095.769**	11.050.036
Communication	**22.350.663**	35.473.146
Cost of equipment and software licenses	**35.082.445**	32.848.766
Other Expenses	**284.917.938**	341.616.385
	533.492.214	651.227.291

(Uruguayan Pesos)

Expenses by function	Nine months period ended December 31, 2021	Year ended March 31, 2021
Cost of revenue	**2.294.044.198**	2.505.311.812
Selling, general and administrative expenses	**743.913.918**	1.019.288.905
	3.037.958.116	3.524.600.717

13. OTHER INCOME

a. Finance and other income

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

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	year ended March 31, 2021
Dividends received - Subsidiaries (Refer note 17)	**27.616.680**	3.840.210
Interest revenue-Bank deposits	**1.816.646**	779.742
Interest revenue-Other Deposits	**222.940**	323.075
Total	**29.656.266**	4.943.027

b. Finance costs

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	year ended March 31, 2021
Other interest expenses	**772.622**	12.260.818
Lease interest	**16.062.997**	23.918.500
Total	**16.835.619**	36.179.318

c. Other gains / (losses) net

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	For the year ended March 31, 2021
Gain/(loss) on disposal of property, plant and equipment	**(66.870)**	(851.804)
Net foreign exchange gains/(losses)	**10.534.985**	(18.220.982)
Others	**6.305.644**	7.109.768
Total	**16.773.759**	(11.963.018)

14. INCOME TAXES

Income Tax

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.

TCS Solution Center S.A. is exempted of income tax for being user of the Tax free zone in accordance with law 15.921.

TCS Colombia branch is tax by a current Income tax at a 31 percent.

Current tax

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period.

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.

Deferred tax

The Company accounts for the deferred income taxes using the balance sheet approach. Deferred income taxes are provided for the temporary differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

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

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..

The income tax expense consists of the following:

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	Year ended March 31, 2021
Current income tax expense		
Domestic	**1.626.744**	629.628
Overseas	**169.543.762**	193.627.020
	171.170.506	194.256.648
Deferred income tax expense / (benefit)		
Overseas	**(24.628.557)**	(22.814.346)
	(24.628.557)	(22.814.346)
Total income tax expense	**146.541.949**	171.442.302

Notes forming part of the Financial Statements

The reconciliation of income tax expense and book net income is as follows:

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	Year ended March 31, 2021
Income before income taxes	**714.255.885**	862.415.836
Income tax rate Uruguay	**0%**	0%
Expected income tax expense	**-**	-
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Branch income tax	**169.543.762**	193.627.020
Deferred Tax	**(24.628.557)**	(22.814.346)
Other Permanent differences:		
WHT on dividends and payments	**1.626.744**	629.628
Total income tax expense	**146.541.949**	171.442.302

Significant components of net deferred tax assets and liabilities for the period ended December 31, 2021 are as follows:

(Uruguayan Pesos)

	Year ended March 31, 2021	Recognized / reversed through profit or loss	Recognised through retained earnings	Unrealized translation adjustment	Nine months period ended December 31, 2021
Originated by:					
Property, plant and equipment	**56.227.483**	**1.768.223**	**-**	**(4.325.654)**	**53.670.052**
Lease liabilities	**3.158.969**	**(893.282)**	**-**	**(201.956)**	**2.063.731**
Other	**21.265.733**	**23.753.616**	**-**	**(2.591.076)**	**42.428.273**
	80.652.185	**24.628.557**	**-**	**(7.118.686)**	**98.162.056**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(Uruguayan Pesos)

	Year ended March 31, 2020	Recognized / reversed through profit or loss	Recognised / reversed through retained earnings	Unrealized translation adjustment	Year ended March 31, 2021
Originated by:					
Property, plant and equipment	47.500.181	2.835.045	-	5.892.257	56.227.483
Lease liabilities	4.606.698	(1.966.395)	-	518.666	3.158.969
Other	(1.066.031)	21.945.696	-	386.068	21.265.733
	51.040.858	22.814.346	-	6.796.991	80.652.185

Direct Tax Contingencies

The Company has contingent liability of UYU 96.375.257 and UYU 104.260.505 as at December 31, 2021 and March 31, 2021, respectively, in respect of tax demands which are being contested by the Company based on the management evaluation and advice of tax consultants. The Company has evaluated and concluded that this tax demand by authorities will not succeed on ultimate resolution.

15. EMPLOYEE BENEFITS

Defined contribution plans

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

The Company provides retirement benefits such as pension (other than Company managed fund) and foreign defined contribution plans to its employees which are treated as defined contribution plans

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.:

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the date of statement of financial position.

Employee cost consist of the following:

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	Year ended March 31, 2021
Salaries, incentives and allowances	**1.993.679.633**	2.231.763.248
Contributions to Provident and Other Funds	**243.358.428**	235.237.715
Staff Welfare	**28.928.667**	32.930.043
	2.265.966.728	2.499.931.006

Employee benefit obligations consist of the following:

Employee benefit obligations – Current

(Uruguayan Pesos)

	As of December 31, 2021	As of March 31, 2021
Benefits to employees	**141.020.475**	141.376.277
Accrued payroll	**109.952.038**	68.448.191
Other employee benefit obligations	**3.074.554**	2.838.875
Total	**254.047.067**	212.663.343

16. COMMITMENTS AND CONTINGENCIES

Capital commitments

The Company has contractually committed (net of advances) UYU 10.638.613 and UYU 5.612.865 as at December 31, 2021 and March 31, 2021, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

Refer to note No.14.

- **Indirect tax matters**

There are no contingency in relation to Indirect tax matters.

- **Other claims**

Claims aggregating UYU 16.536.896 and UYU 17.889.914 as at December 31, 2021 and March 31, 2021,respectively, against the Company have not been acknowledged as debts.

17. RELATED PARTY TRANSACTIONS AND BALANCES

Company's principal related parties consist of its ultimate holding company Tata Consultancy Services Limited and its subsidiaries, affiliates and key managerial personnel. The company's related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business. Transactions with related parties are as follows:

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	the year ended March 31, 2021
Revenue from operations		
Tata Consultancy Services Limited	**1.099.891.747**	1.350.323.525
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**0**	1.514
Tata Consultany Services Asia Pacific Pte Ltd.	**5.715.713**	9.442.156
Tata Consultancy Services Belgium	**45.871.041**	45.639.103
Tata Consultancy Services Chile S.A	**4.110.290**	6.200.092
Tata Consultancy Services De Mexico S.A.,De C.V.	**25.106.794**	16.934.637
Tata Consultancy Services Deutschland GmbH	**(165.182)**	33.005.234
Tata Consultancy Services FranceSA	**79.757.975**	99.659.100
Tata Consultancy Services Netherlands BV	**679.824**	1.349.080
Tata Consultancy Services Switzerland Ltd.	**34.272.826**	51.316.303
Tata Solution Center S.A.	**6.498.155**	3.943.583
Tata Consultancy Services Canada Inc.	**4.377.806**	25.003
Tata Consultancy Services Sucursal del Peru	**782.042**	0
Total	**1.306.899.031**	1.617.839.330

Notes forming part of the Financial Statements

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	the year ended March 31, 2021
Dividend Income		
Subsidiaries of Tata Consultancy Services Limited		
Tata Consultancy Services De Mexico S.A.,De C.V.	**27.616.680**	3.840.210
Total	**27.616.680**	3.840.210
Purchases of goods and services (including reimbursements)		
Tata Sons Private Limited, its subsidiaries and associates		
Titan Company Limited		2.745.042
Tata Consultancy Services Limited	**237.814.872**	314.776.334
Subsidiaries of Tata Consultancy Services Limited		
MGDC S.C.	**16.365**	(341.723)
Tata America International Corporation		(8.406)
Tata Consultancy Services ChileS.A.	**8.291.325**	3.640.921
Tata Consultancy Services De Mexico S.A.,De C.V.	**30.667.978**	24.907.874
Tata Consultancy Services Do Brasil Ltda	**2.311.995**	4.349.285
TCS Inversiones Chile Limitada	**22.314.254**	34.134.756
TCS Uruguay S. A.	**39.366**	(607.870)
Tata Solution Center S.A.		(720.156)
Tata Consultancy Services Sucursal del Per	**1.154.731**	
Total	**302.610.886**	382.876.057
Brand equity contribution		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**6.046.809**	7.075.747
Total	**6.046.809**	7.075.747
Dividend paid		
Subsidiaries of Tata Consultancy Services Limited		
TCS Iberoamerica SA	**472.708.750**	185.536.700
Total	**472.708.750**	185.536.700

Balances receivable from related parties are as follows:

(Uruguayan Pesos)

	As at December 31, 2021	As at March 31, 2021
Trade receivables and contract assets		
Tata Consultancy Services Limited	**352.176.510**	135.723.757
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**8.241.191**	8.423.348
Tata Consultancy Services Argentina S.A.	**23.297.753**	23.429.644
Tata Consultancy Services Asia Pacific Pte Ltd .	**750.623**	1.890.647
Tata Consultancy Services Belgium	**15.693.779**	12.799.962
Tata Consultancy Services Canada Inc.	**4.386.441**	(177.540)
Tata Consultancy Services Chile S.A.	**1.667.587**	1.107.026
Tata Consultancy Services De Mexico S.A.,De C.V.	**4.960.599**	2.933.268
Tata Consultancy Services Deutschland GmbH	**(6.569.306)**	(6.568.046)
Tata Consultancy Services Netherlands BV	**74.478**	76.395
Tata Consultancy Services Switzerland Ltd.	**7.729.696**	9.554.045
Tata Solution Center S.A.	**3.279.617**	1.024.008
Tata Consultancy Services France SA	**2.694.597**	10.652.776
Tata Consultancy Services Sucursal del Peru	**1.320.120**	0
Total	**419.703.685**	200.869.290
Loans, other financial assets and other assets		
Tata Consultancy Services Limited	**3.132.702**	10.733.048
Total	**3.132.702**	10.733.048

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Balances payable to related parties are as follows:

(Uruguayan Pesos)

	As at December 31, 2021	As at March 31, 2021
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata Sons Private Limited, its subsidiaries and associates		
Tata Sons Private Limited	**6.049.622**	7.075.747
Tata Consulatancy Services Limited	**50.884.413**	59.285.379
Subsidiaries of Tata Consultancy Services Limited		
MGDC S.C.	**0**	(184.603)
Tata Consultancy Services Chile S.A.	**5.463.732**	4.571.706
Tata Consultancy Services De Mexico S.A.,De C.V.	**5.791.912**	4.581.756
Tata Consultancy Services Do Brasil Ltda	**239.666**	713.539
TCS Inversiones Chile Limitada	**5.779.460**	8.257.234
Tata Consultancy Services Switzerland Ltd.	**2.695.017**	0
Tata Solution Center S.A.	**59.506**	1.133.681
Tata Consultancy Services Asia Pacific Pte Ltd	**1**	0
Tata Consultancy Services Sucursal del Peru	**207.885**	0
Total	**77.171.214**	85.434.439

Compensation to key management personnel

(Uruguayan Pesos)

	Nine months period ended December 31, 2021	Year ended March 31, 2021
Short-term benefits	**21.175.363**	25.765.607
Total	**21.175.363**	25.765.607

18. SUBSEQUENT EVENTS

There were no subsequent events that meet disclosure

Translation from the original prepared in Spanish
for publication in Argentina

TATA CONSULTANCY SERVICES ARGENTINA S.A.

Letter to Shareholders and Financial Statements
For for irregular fiscal period
beginning April 01, 2021 and ended December 31, 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

CONTENT **PAGE**

LETTER TO SHAREHOLDERS

FOR IRREGULAR FISCAL PERIOD BEGINNING APRIL 01, 2021 AND ENDED DECEMBER 31, 2021
(INFORMATION NOT COVERED BY THE INDEPENDENT AUDITORS' REPORT)

To the Shareholders of
TATA Consultancy Services Argentina S.A.

In compliance with legal provisions in force and the bylaws, the Board of Directors is pleased to submit for your consideration the following documentation for the irregular fiscal period of 9 months ended December 31, 2021: the letter to shareholders, balance sheet, statements of profit or loss, changes in shareholders' equity and cash flows, notes 1 to 12 and exhibits I to IV, the independent auditors' report and supervisory auditor's report.

1. MAIN CONTENTS OF BUSINESS POLICIES AND OBJECTIVES

a. Company's business, background and structure

The Company's main business is to sell and provide IT design services.

b. Financial position and business development

During the current period, the company has changed its financial year end from 31st, March to 31st, December and accordingly, the financial statements for the current period have been prepared for nine months commencing from 1st April 2021 to 31st, December 2021. Previous year figures represent amounts for the year ended 31st, March 2021 and hence are not strictly comparable with current year figures.

The amounts included in the Statement of changes in shareholders' equity are stated in constant currency as of December 31, 2021.

c. Decision taking and internal control

As it relates to decision taking, the Company is ruled by decisions adopted at meetings of directors and shareholders.

However, various systems have been implemented in relation to strategic planning, administrative procedures, IT and communication, personnel assessment and management and quality control, contributing to a proper internal control, to ensure that objectives are achieved efficiently and effectively, based on reliable financial information and in compliance with laws and regulations in force.

2. COMPARATIVE FINANCIAL STATEMENT RATIOS

	Description	As at December 31, 2021	As at March 31, 2021
1	Solvency (1)	**0.07**	0.06
2	Current liquidity (2)	**4.59**	5.10
3	Non current assets (3)	**0.04**	0.03
4	Profitability (4)	**0.04**	-1.87

(1) Shareholders' equity/total liabilities

(2) Current assets / Current liabilities

(3) Non current assets / Total assets

(4) Net income or loss/shareholders' equity

According to my report of:
February 21, 2022

Pablo Gustavo Traini
Regular Supervisory Auditor

3. RELATED COMPANIES (ART. 33 LAW 19550, AS AMENDED)

As described in note 6 to the financial statements, balances as of December 31 and March 31, 2021 with related companies are as follows:

(Amount in ARS)

	As at December 31, 2021	As at March 31, 2021
Current receivables		
For services		
Tata Consultancy Services Limited	15,994,964	2,400,640
Tata Consultancy Services France	554,917	1,337,041
Titan Company Limited	-	1,112,817
Tata Consultancy Services Deutschland GmbH	850,811	-
Total	17,400,692	4,850,498
Other receivables		
TCS Iberoamérica S.A.	-	116,097,638
Tata Consultancy Services Limited	6,938,603	3,070,457
Total	6,938,603	119,168,095
Payables		
Trade		
Tata America International Corporation	-	6,687,257
TCS Solution Center Sucursal Colombia	54,664,576	65,682,197
Tata Consultancy Services Limited	238,021,890	314,051,312
Tata Consultancy Services de México, S.A. de C.V.	75,875,730	89,452,820
Titan Company Limited	-	631,578
Tata Consultancy Services do Brasil Ltda.	56,390	-
Tata Consultancy Services France	1,897,336	-
Tata Sons Private Limited	481,680	-
Total	370,997,602	476,505,164

4. PROFIT OR LOSS STRUCTURE COMPARATIVE WITH THE PRIOR YEAR:

a. Comparative balance sheet structure

(Amount in ARS)

	As at December 31, 2021	As at March 31, 2021
Current assets	492,513,653	601,184,217
Non current assets	22,944,263	19,865,783
Total assets	515,457,916	621,050,000
Current liabilities	107,264,502	117,876,670
Non-current liabilities	372,858,264	469,255,969
Total liabilities	480,122,766	587,132,639
Shareholders' equity	35,335,150	33,917,361
Total liabilities + shareholders' equity	515,457,916	621,050,000

b. **Comparative consolidated financial position**

(Amount in ARS)

	Year ended Dtecember 31, 2021	Year ended March 31, 2021
Net sales	**528,450,091**	703,253,889
Cost of services	**(339,491,418)**	(494,952,429)
Gross profit	**188,958,673**	208,301,460
Selling expenses	**(40,175,452)**	(52,196,410)
Administrative expenses	**(134,172,525)**	(194,635,136)
Other operating expenses	**(31,743,146)**	(38,689,531)
Other net income	**(4,439,673)**	38,141,236
Financial gains/losses (including gain or loss on net monetary position - RECPAM)	**23,614,781**	(20,832,487)
Gain/Loss before income tax	**2,042,658**	(59,910,868)
Income tax	**(624,869)**	(3,414,766)
Net gain/loss	**1,417,789**	(63,325,634)

c. **Cash flow structure**

(Amount in ARS)

	Year ended December 31, 2021	Year ended March 31, 2021
Cash at beginning of the year	**259,042,647**	232,096,878
Ordinary operating activities	**(76,348,567)**	66,349,660
Investing activities	**(3,311,002)**	(5,449,489)
Financing activities	**86,942,000**	-
RECPAM of cash	**(6,766,900)**	(33,954,402)
Cash at year-end	**259,558,178**	259,042,647
Net increase	**515,531**	26,945,769

5. INCOME/LOSS FOR THE YEAR

During this fiscal year, the Company recorded a loss in the amount of $1,417,789

6. DIRECTORS' AND SUPERVISORY AUDITORS' COMPENSATION

The members of the Board of Directors and the Supervisory Auditors have communicated, as in prior years, their decision not to receive any compensation for their performance during the year under analysis, in each of their related positions, with the exception of Alberto Arana, who has been assigned fees for his services to the Company during the year.

7. COMPANY'S PROSPECTS AND OBJECTIVES FOR NEXT FISCAL YEAR

Prospects for this year are encouraging, considering the substantial improvement in the results of each project.

Finally, we wish to express our gratitude to our customers, suppliers, advisors and financial entities that have supported us and, particularly, to all our staff for the commitment and cooperation shown.

City of Buenos Aires,February 21, 2022

THE BOARD OF DIRECTORS

According to my report of:

.February 21, 2022

Pablo Gustavo Traini
Regular Supervisory Audito

TATA Consultancy Services Argentina S.A.

Financial statements for irregular fiscal period No. 21 beginning April 1, 2021 and ended December 31, 2021 comparative with the prior year

Stated in constant currency -pesos (Note 2.1)

Legal address: Uspallata 3046, City of Buenos Aires

Main activity: Services in the information technology sector.

Date of registration with the Public Registry of Commerce: November 29, 2001

Registration date of the latest amendment to the bylaws: October 19, 2021

Registration with the Supervisory Board of Companies (I.G.J.): 1702305

Expiration date of the Corporation: November 29, 2100

Parent Company's information: (Note 6):

Name: TCS Iberoamérica S.A.

Legal address: Monte Caseros 2.600, Montevideo, Uruguay

Main activity: Holding Company

Ownership interest: 99.99 Percentage

Voting stock: 99.99 Percentage

Capital structure at nominal value (Notes 2.1, 5 and 6):

Shares

Quantity	Type, nominal value and No. of votes per share	Subscribed and paid-in	Registered
47,127,767	Non-endorsable, registered, common shares with a nominal value of $1 each, one vote per share	**$ 47,127,767**	**$ 42,127,767**

According to our report of:
February 21, 2022

Adler, Hasenclever & Asociados S.R.L.
Public Accountants
C.P.C.E.C.A.B.A. Tº 1 - Fº 68

Leonardo Fraga (Partner)
Public Accountant (UBA)
C.P.C.E.C.A.B.A. T°166 – F°183

According to my report of:
February 21, 2022

Pablo Gustavo Traini
Regular Supervisory Auditor

Balance sheet

As of December 31, 2021 comparative with the prior fiscal year (in pesos - constant currency) (Note 2.1)

(Amount in ARS)

	Note	As at December 31, 2021	As at March 31, 2021
ASSETS			
Current assets			
Cash and banks	3.1	**95,558,178**	112,154,605
Short term investments	3.2	**164,000,000**	146,888,042
Accounts receivable	3.3	**184,901,679**	171,422,826
Other receivables	3.4.1	**48,053,796**	170,718,744
Total current assets		**492,513,653**	601,184,217
Non-current assets			
Investements	Exhibit III	**1,640**	2,190
Other receivables	3.4.2	**9,334,793**	4,843,700
Fixed assets	2.3.4 and Exhibit I	**13,607,830**	15,019,893
Total non-current assets		**22,944,263**	19,865,783
TOTAL ASSETS		**515,457,916**	621,050,000
LIABILITIES			
Current liabilities			
Trade payables	3.5.1	**42,548,066**	45,969,411
Payroll and social security contributions	3.6	**55,753,273**	60,208,760
Taxes payables	3.7.1	**8,655,406**	11,698,499
Customer advances		**307,757**	-
Total current liabilities		**107,264,502**	117,876,670
Non-current liabilities			
Payables			
Trade	3.5.2	**363,152,041**	461,627,092
Taxes payable	3.7.2	**5,639,775**	7,083,964
Allowances	2.3.5 and Exhibit II	**4,066,448**	544,913
Total non-current liabilities		**372,858,264**	469,255,969
TOTAL LIABILITIES		**480,122,766**	587,132,639
SHAREHOLDERS' EQUITY (as per related statement)		**35,335,150**	33,917,361
Total liabilities and shareholders' equity		**515,457,916**	621,050,000

According to our report of:
February 21, 2022

Adler, Hasenclever & Asociados S.R.L.
Public Accountants
C.P.C.E.C.A.B.A. T° 1 - F° 68

Leonardo Fraga (Partner)
Public Accountant (UBA)
C.P.C.E.C.A.B.A. T°166 – F°183

According to my report of:
February 21, 2022

Pablo Gustavo Traini
Regular Supervisory Auditor

.Statement of Profit or Loss

for the irregular fiscal period of 9 months ended December 31, 2021, comparative with the prior year
(in pesos- constant currency (Note 2.1)

(Amount in ARS)

	Note	For the year ended December 31, 2021	For the year ended March 31, 2021
Revenue from sales of services and equipment	4.1	**528,450,091**	703,253,889
Cost of services	(Exhibit IV)	**(339,491,418)**	(494,952,429)
GROSS PROFIT		**188,958,673**	208,301,460
Selling expenses	(Exhibit IV)	**(40,175,452)**	(52,196,410)
Administrative expenses	(Exhibit IV)	**(134,172,525)**	(194,635,136)
Other operating expenses	(Exhibit IV)	**(31,743,146)**	(38,689,531)
Financial gains/losses, including gain or loss on net monetary position - RECPAM (*)		**23,614,781**	(20,832,487)
Other income and expenses - net	4.2	**(4,439,673)**	38,141,236
GAIN/(LOSS) BEFORE INCOME TAX		**2,042,658**	(59,910,868)
Income tax benefit	8	**(624,869)**	(3,414,766)
NET (GAIN) LOSS		**1,417,789**	(63,325,634)

The accompanying notes and exhibits are an integral part of these financial statements.

* Net gain or loss on net monetary position

According to our report of:
February 21, 2022

Adler, Hasenclever & Asociados S.R.L.
Public Accountants
C.P.C.E.C.A.B.A. Tº 1 - Fº 68

Leonardo Fraga (Partner)
Public Accountant (UBA)

According to my report of:
February 21, 2022

Pablo Gustavo Traini
Regular Supervisory Auditor

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the irregular fiscal period of 9 months ended December 31, 2021 comparative with the prior fiscal year (in pesos - constant currency) (Note 2.1)

(Amount in ARS)

	Shareholders' contributions				Total equity as at	
	Subscribed capital (1)	Capital adjustment	Additional paid-in capital	Retained earnings	December 31, 2021	March 31, 2021
Balances at beginning of year	**47,127,769**	**616,308,746**	**981,877,023**	**(1,611,396,177)**	**33,917,361**	97,242,995
Net profit/loss	**-**	**-**	**-**	**1,417,789**	**1,417,789**	(63,325,634)
Balances at year-end	**47,127,769**	**616,308,746**	**981,877,023**	**(1,609,978,388)**	**35,335,150**	33,917,361

(1) For legal reasons, the Subscribed capital is presented at nominal value.

The accompanying notes and exhibits are an integral part of these financial statements.

According to our report of:
February 21, 2022

Adler, Hasenclever & Asociados S.R.L.
Public Accountants
C.P.C.E.C.A.B.A. Tº 1 - Fº 68

Leonardo Fraga (Partner)
Public Accountant (UBA)

According to my report of:
February 21, 2022

Pablo Gustavo Traini
Regular Supervisory Auditor

Statement of Cash Flows

For the irregular fiscal period of 9 months ended December 31, 2021 , comparative with the prior year (in pesos- constant currency (Note 2.1)

(Amount in ARS)

CHANGES IN CASH	Note	For Year ended December 31, 2021	For Year ended March 31, 2021
Cash at beginning of year		**259,042,647**	232,096,878
Cash at year-end	2.3.13	**259,558,178**	259,042,647
Net increase in cash		**515,531**	26,945,769
CAUSES OF CHANGES IN CASH			
OPERATING ACTIVITIES			
Net gain/(loss)		**1,417,789**	(63,325,634)
Less: income tax accrued for the year		**624,869**	3,414,766
Adjustments to achieve net cash flows provided by operating activities:			
Depreciation of fixed assets		**4,723,615**	5,201,810
Net decrease in allowances		**3,521,535**	(13,570,122)
RECPAM(*) of cash and non-operating activities		**6,766,900**	33,954,402
Changes in operating assets and liabilities:			
(Increase) in accounts receivable		**(13,478,853)**	(45,290,304)
Decrease in other receivables		**31,231,855**	75,749,022
(Decrease) increase in trade payables		**(101,896,396)**	61,012,281
(Decrease) increase in payroll and social security contributions		**(4,455,487)**	3,077,744
(Decrease) increase in taxes payable		**(5,112,151)**	6,977,859
Decrease in other liabilities		**-**	(369,230)
Increase (decrease)in customer advances		**307,757**	(482,934)
Net cash flows used in operating activities		**(76,348,567)**	66,349,660
INVESTING ACTIVITIES			
Acquisition of fixed assets		**(3,311,552)**	(5,447,299)
Investements in subsidiaries		**550**	(2,190)
Net cash flows used in investing activities		**(3,311,002)**	(5,449,489)
FINANCING ACTIVITIES			
Total paid-in capital		**86,942,000**	-
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		**86,942,000**	-
RECPAM(*) of cash		**(6,766,900)**	(33,954,402)
Net increase in cash		**515,531**	26,945,769

The accompanying notes and exhibits are an integral part of these financial statements.

* Gain or loss on net monetary position

According to our report of:
February 21, 2022

Adler, Hasenclever & Asociados S.R.L.
Public Accountants
C.P.C.E.C.A.B.A. Tº 1 - Fº 68

Leonardo Fraga (Partner)
Public Accountant (UBA)

According to my report of:
February 21, 2022

Pablo Gustavo Traini
Regular Supervisory Auditor

1. DESCRIPTION OF THE BUSINESS AND FINANCIAL POSITION

1.1 Description of the business

TATA Consultancy Services Argentina S.A. (Hereinafter either "TATA Consultancy Services Argentina S.A." or "the Company") was duly organized under the laws of the Republic of Argentina, and its formation is documented by deed dated November 19, 2001.

The Company is mainly engaged in rendering IT and communications services.

Its registered office is located at Uspallata 3046, City of Buenos Aires, within the Technological District of the City of Buenos Aires.

1.2 Financial situation of the Company

During the last years the Company has incurred in recurring losses, having needed capital contributions to avoid its dissolution due to loss of share capital.

As of December 31, 2021, the Company presents a positive net equity of $ 35,335,150, and the principal shareholder has the intention and capacity to continue providing financial support to the Company if necessary.

2. ACCOUNTING STANDARDS

The financial statements have been prepared in accordance with the professional accounting standards in force set forth by the Technical Resolutions issued by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) and approved by the Professional Council of Economic Sciences of the City of Buenos Aires (CPCECABA), and considering the provisions of the Companies Law and the regulations of the Supervisory Board of Companies (I.G.J.). The most significant accounting standards applied by the Company have been as follows:

2.1 Reporting currency

These financial statements have been prepared in constant currency (Argentine pesos purchasing power at the end of the current reporting period) in accordance with I.G.J. General Resolution 10/2018, effective December 28, 2018, and Resolution 107/2018 issued by the Steering Committee (CD) of the CPCECABA, as amended, which provided for the need to restate the financial statements for fiscal years ended on or after July 1, 2018 in constant currency, in line with Resolution 539/2018 issued on September 29, 2018 by the Governing Board (JG) of the FACPCE. Moreover, JG FACPCE Resolution No. 539

a. identified the existence of an inflationary context as from July 1, 2018, as the accumulated inflation rate estimated by the Internal Wholesale Price Index (IPIM) in the most recent three years had exceeded 100 Percentage; a necessary condition to restate the financial statement amounts in accordance with the guidelines set by RT 39 of the FACPCE "Professional accounting standards: amendments to RT Nos. 6 and 17. Restatement in constant currency", and

b. approved the general and particular standards to be considered in terms of restatement of financial statements in constant currency in accordance with the adjustment methods set forth by RT 6 "Financial statements in constant currency", including certain optional simplification.

Upon applying RT 6, the monetary restatement of accounting information (non-monetary assets and liabilities, equity items, and revenues and expenses) must be retroactive as if the economy had always been hyperinflationary, using indexation rates derived from a series of indexes resulting from the combination of the Consumer Price Index (IPC) at a general level, published by the National Institute of Statistics and Censuses (INDEC), with base month December 2016 = 100, with the IPIM at a general level, published by the INDEC for prior periods.

In addition, prior fiscal year figures presented for comparative purposes shall be restated for inflation, which does not imply changes in the decisions taken based on the financial information for such fiscal year.

2.2 Criteria for recognition, measurement and presentation of assets, liabilities, shareholders' equity, revenue and cash flows

These financial statements have been prepared in accordance with the presentation criteria set forth by the Technical Resolutions of the FACPCE.

For comparative purposes only, certain reclassifications were made to prior-year information in order to disclose the figures on a consistent basis. The modification of the comparative information does not imply changes in the decisions taken based thereon.

Using the simplification introduced by Resolution 11/2019 issued by the Steering Committee of the CPCECABA, the Company opted not to present the reconciliation required up to that date by accounting standards in force between the income tax charged to P&L and that resulting from applying the the prevailing tax rate to the profit or loss for accounting purposes.

2.3 Valuation criteria

The Company has consistently adopted the following recognition and measurement criteria in the preparation of the financial statements:

2.3.1 Revenue recognition

Revenues from the provision of services are recognized as services are provided.

Income derived from the provision of services relating to a project is recognized in the statement of profit or loss in proportion to the percentage of completion of the transaction at year-end. The percentage of completion is valued in accordance with the progress achieved.

Sales of equipment are recognized in the income statement when the significant risks and benefits of ownership of the goods are transferred to the buyer.

Revenue is shown net of discounts.

2.3.2 Short-term investments

Time deposits: at nominal value plus interest accrued at period-end.

2.3.3 Foreign currency

Transactions agreed in foreign currency are converted to Argentine pesos at the exchange rate prevailing to the date of the transaction.

The assets and liabilities stated in foreign currency are converted into Argentine pesos by applying the exchange rates prevailing at year-end.

Exchange gains/losses are recognized in Financial gains/losses (including RECPAM) of the Statement of profit or loss.

2.3.4 Fixed assets

They have been valued at acquisition cost restated under Note 2.1, net of the related accumulated depreciation. The acquisition cost includes all the necessary expenses required to bring the assets to a working condition for their intended use.

Depreciation is calculated by applying the straight line method at annual rates sufficient to extinguish assets value by the end of their estimated useful lives.

The net book value of fixed assets, taken as a homogenous group, does not exceed their estimated recoverable value based on information available at the date of issuance of these financial statements.

2.3.5 Allowances

Deducted from assets:

- For bad debts: it has been set up to reduce the valuation of accounts receivable to their probable recoverable value, based on the analysis of doubtful accounts.

Included in liabilities:

- For contingencies: it has been set up for contingent situations that might result in liabilities for the Company. The related amounts and likelihood of occurrence have been estimated considering expectations of Company's Management and the opinion of legal advisors.

2.3.6 Income tax

The income tax is recognized by applying the deferred tax method. Based on such method, besides the provision for the tax payable for the year.

The future tax effect of the tax loss carry forwards, if any, and of the deductible temporary differences derived from the valuation of assets and liabilities for accounting purposes in constant currency and for tax purposes are recognized as deferred tax assets, to the extent of the recoverability thereof through future taxed earnings, and

The future tax effects of the temporary differences between the valuation for accounting purposes in constant currency and for tax purposes of assets and liabilities are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are stated at nominal value (not discounted), derived from applying to the recognized temporary differences the income tax rate effective at the date when reversal is expected, and presented in their net amount as non-current assets or liabilities, as applicable.

The annual variation in net deferred tax assets or liabilities is recorded as an income tax expense or benefit, as applicable.

Dated December 29, 2017, the National Executive Power put in force by Decree N° 1112/2017 Law N° 27,430 that established different modifications to the tax system, including among others, the Income Tax, Value Added Tax and Internal Taxes.

Among the most important modifications introduced by the Law are the following: (i) the progressive reduction of the tax rate for Income Tax for certain companies , including the Limited Liabilities companies and Corporations from 35 percent to 30 percent for the fiscal years started on January 1, 2018 and, from 30 to 25 percent for fiscal years started January 1st, 2020, (ii) the allocations of dividends and similar profits received by people and undivided successions as profits taxable in Income Tax with a rate of 7 percent and 13 percent for fiscal years started on January 1, 2018 and January 1, 2020 respectively, (iii) the possibility that the people, undivided successions and subjects included in article 49 of Income Tax Law, text ordered in 1997 and its modifications, residents in the country, revalue, for tax purposes, certain goods located or economically used in the country and that are affected to the generation of taxable profits in Income Tax.

Likewise, the mentioned Law 27,430 modified Art 95 of Income Tax Law by adding that the procedure for the inflation tax adjustment would be applicable in the fiscal year in which the percentage of variation of the prices index of the second paragraph of Art 89, accrued in the 36 months previous to the closing of the fiscal year, is over 100 percent with a transition regime for the determination of the accrued indexes since January 1, 2018.

Law 27.430 was then amended by the current Law 27,468 that replaced the IPC (Consumers Price Index) for the IPIM (Wholesale Domestic Prices Index) and modified the transition regime, which will be in force for the first, second and third fiscal year started on January 1, 2018, when the variation of the index calculated from the beginning as of the closing of each of those fiscal years is over 55, 30 and 15 percent respectively.

In addition, on December 23, 2019, Executive Order No. 58/2019 partially passed Law No. 27541 on social solidarity, which law modifies the application of inflation adjustment referred to in Chapter VI, Income Tax Act (restated text in accordance with Executive-Order 824/2019), for the first and second fiscal periods commencing as from January 1, 2019, to be computed when the requirements set forth in the last two paragraphs of Section 106, of the aforementioned Act are met; this amendments state that one sixth of the adjustment shall be applied to said fiscal period while the remaining five sixths shall be equally applied to the five following fiscal periods; this goes without prejudice to any outstanding third from previous periods, as stated in Section 194 of the aforementioned Act. Moreover, such Act established the suspension of section 86 provisions, subsections d) and e) of Law No. 27430 until the fiscal periods commencing on January 1, 2021 inclusive, establishing that for such suspension period the tax rate provided in subsections a) and b) of section 73 of the Income Tax Act, restated text in 2019, shall be of 30 percent.

On June 16, 2021, the Argentine Executive Branch passed and publish Law No. 27630, which abolished the generalized reduction of taxe rates previously explained and introduced a new scale tax rates system, which shall be valid for the fiscal period commenced as from January 1, 2021, as follows:

Accumulated taxable net profit		$ to be paid	Plus percentage	Over $ surplus
From $	To $			
$ 0	**$ 5.000.000**	**$ 0**	**25**	**$ 0**
$ 5.000.001	**$ 50.000.000**	**$ 1.250.000**	**30**	**$ 5.000.000**
$ 50.000.001	**Sin tope**	**$ 14.750.000**	**35**	**$ 50.000.000**

The estimated amounts in this scale will be annually adjusted as from January 1, 2022, considering the annual variation of CPI (consumer price index) provided by INDEC (Argentine Statistics Bureau) for October of the year previous to the adjustment regarding the same month on the previous year. Amount determined that way shall be applied for the fiscal period starting after each update

Moreover, as ordered by Law No. 27630, the rate applicable to dividends over generated income in fiscal periods commenced as from January 1, 2018 was unified in the 7 percentage.

2.3.7) Use of estimates

The preparation of these financial statements requires that estimates and assessments be made about the assets and liabilities recorded, the contingent assets and liabilities disclosed to the date of issuance of these financial statements as well as income and expenses recorded during the year.

The Company's management makes estimates to calculate, among others, depreciation of fixed assets, the recoverable value of non-current assets, the income tax benefit and the allowances for contingencies and bad debts. The actual value of future results may differ from the estimates and assessments made to the date of preparation of these financial statements.

2.3.8) Profit and loss accounts

Original values have been restated in year-end currency, except for:

a) Depreciation

Depreciation and amortization expenses were calculated by applying the depreciation and amortization rates to restated amounts determined as indicated in Note 2.3.4.

b) Financial gains/(losses) (including gain or loss on net monetary position - RECPAM).

It is determined based on the difference between the income/loss for the year and the subtotal of the Statement of income accounts restated in constant currency. It includes:

- the gain or loss on net monetary position, and
- financial gains.

2.3.9) Lease agreements in force

The Company classifies its lease agreements into "financial" or "operating" leases in accordance with the provisions of Technical Resolution 18 of FACPCE, and pursuant to the economic substance thereof.

As of December 31, 2021, the Company does not have any financial lease in force. Operating leases costs are accrued over the term of the agreement.

2.3.10) Customer advance

The Company has received customer advances in local currency, which have been recognized at their restated value at year-end, as described in Note 2.1.

Accounts receivable are stated according to their likelihood of recovery. When there is an intention and possibility of an early negotiation, they are stated at net realization value.

Receivables with related parties that do not accrue any interest are stated at nominal value.

Each time financial statements are prepared, the recoverability of accounts receivable is analyzed by estimating future collections and considering the existence of guarantees with a high likelihood of foreclosure An allowance for bad debts is recognized in the amount deemed non-recoverable; the changes in the allowance are recorded in Financial and holding gains/losses (including gain or loss on net monetary position - RECPAM) of the Statement of profit or loss.

2.3.11) Accounts receivables

Receivables are valued considering their probable destination. When there is the intention and feasibility of negotiating them in advance, they are valued at their net realizable value.

Loans with related parties that do not accrue interest are valued at their nominal value.

Each time financial statements are prepared, the recoverability of the recorded loan balances is analyzed by estimating future collections and taking into account the existence of guarantees whose probability of execution is high. A provision for bad debts is recognized for the amount that it considers not recoverable; the variation in the forecast is recognized in the line Financial and holding results (including the result from exposure to changes in the purchasing power of the RECPAM currency) of the Income Statement.

2.3.12) Accounts payable

Payables are stated according to their likelihood of recovery. When there is an intention and possibility of an early settlement, they are stated at settlement value.

The remaining payables are stated at their original value plus interest calculated by applying the effective rate determined upon initial recognition, less payments made.

Payables with related parties that do not accrue any interest are stated at nominal value. Payables in foreign currency are stated in Argentine Pesos at the exchange rate prevailing at year-end.

2.3.13) Statement of cash flows

The Company presents the statement of cash flows by applying the indirect method. Cash includes cash and banks and cash equivalents. Cash equivalents include short-term and highly liquid investments that can be easily converted into cash known beforehand, and are subject to insignificant exchange rate risks.

All the accounts of this statement are stated in constant currency at the end of the reporting period.

The monetary gain/loss provided by cash and cash equivalents is presented in the statement of cash flows segregated from the cash flows provided by operating, investing and financing activities, as a specific item of the reconciliation between cash and cash equivalents at the beginning and end of the fiscal year.

Balances included in Cash and cash equivalents are as follows

(Amount in ARS)

	As at December 31, 2021	As at March 31, 2021
cash and banks	**95,558,178**	112,154,605
Short-term investments	**164,000,000**	146,888,0422
Total	**259,558,178**	259,042,647

2.3.14) Shareholders' equity

Shareholders' equity balance adjusted at beginning of year have been adjusted at year-end by applying the indexation rates described in Note 2.1.

The capital was restated in constant currency, as indicated in Note 2.1. The difference between the restated amount and the nominal value is disclosed as "Capital adjustment".

Retained earnings have been restated at year-end, under Note 2.1.

Income for the year was determined based on the difference between the algebraic sum of the equity at the beginning plus the quantitative movements of the equity and the equity at the closing, measured in constant currency as of December 31, 2021.

Note 3 - BREAKDOWN OF THE MAIN BALANCE SHEET ACCOUNTS

3.1 Cash and bank

(Amount in ARS)

	As at December 31, 2021	As at March 31, 2021
Cash in local currency	**-**	672,386
Banks in local currency	**31,247,621**	40,422,045
Banks in foreign currency (Exhibit III)	**64,310,557**	71,060,174
Total	**95,558,178**	112,154,605

3.2 Short term investments

(Amount in ARS)

	As at December 31, 2021	As at March 31, 2021
Time deposit in local currency (*)	**164,000,000**	146,888,042
Total	**164,000,000**	146,888,042

(*) As of December 31, 2021, the time deposit accrues interest at an annual nominal rate of 29 percentage.

3.3) Accounts receivable

(Amount in ARS)

		For the year ended December 31, 2021	For the year ended March 31, 2021
Ordinary in local currency		**138,194,537**	124,903,311
Ordinary in foreign currency	(Exhibit III)	**6,655,810**	11,548,705
Other related parties in local currency	(Note 6)	**7,251**	1,112,817
Other related parties in foreign currency	(Note 6 and Exhibit III)	**15,734,030**	1,337,041
Services to be invoiced in local currency		**22,361,767**	30,120,312
Services to be invoiced in foreign currency	(Exhibit III)	**288,873**	-
Other related parties - services to be invoiced in foreign currency	(Note 6 and Exhibit III)	**1,659,411**	2,400,640
Less: Allowance for bad debts	(Note 2.3.5 and Exhibit II)	**-**	-
Total		**184,901,679**	171,422,826

3.4) Other receivables

(Amount in ARS)

BALANCES	As at December 31, 2021	As at March 31, 2021
3.4.1) Current		
Other related parties in local currency	-	116,097,638
Other related parties in foreign currency (Notes 5, 6 and Exhibit III)	16,458	29,518
Income tax credit balance	-	7,187,832
Turnover tax credit balance	781,847	522,738
Value added tax credit balance	606,496	-
Tax on bank debits and credits - credit balance	7,120,235	7,286,405
Security deposits in foreign currency (Exhibit III)	9,246,240	11,051,339
Prepaid expenses	585,816	2,194,818
Prepaid expenses with Other related parties (Note 6)	6,922,145	3,040,939
Advances to directors	3,043,060	4,097,573
Accrued Interest	16,606,904	14,534,636
Bank accounts subject to attachment in local currency	2,756,537	3,464,284
Sundry	368,058	1,211,024
Total	48,053,796	170,718,744

(Amount in ARS)

	For the year ended December 31, 2021	For the year ended March 31, 2021
3.4.2) Non current		
Income tax credit balance	5,279,740	-
Minimum presumed income tax credit balance (Note 8)	3,372,801	4,843,700
Prepaid expenses	682,252	-
Total	9,334,793	4,843,700
3.5) Accounts payable		
3.5.1) Current		
Supptliers in local currency	8,952,544	21,376,772
Suppliers in foreign currency (Exhibit III)	5,390,721	3,895,107
Provision for invoices to be received in local currenc	19,388,364	4,865,832
Other related parties in local currency (Note 6	481,680	-
Other related parties in foreign currency (Note 6 and Exhibit III)	1,897,336	10,406,075
Other related parties-provision for invoices to be received (Note 6)	4,529,616	3,618,465
Other related parties-other provision (Note 6)	936,929	853,532
Other provisions	970,876	953,628
Total	42,548,066	45,969,411

(Amount in ARS)

	As at December 31, 2021	As at March 31, 2021
3.5.2) Non current		
Other related parties in local currency (Note 6)	**237,384,937**	272,476,558
Other related parties in foreign currency (Note 6 and Exhibit III)	**125,767,104**	189,150,534
Total	**363,152,041**	461,627,092

3.6) Payroll and social security liabilities

(Amount in ARS)

	As at December 31, 2021	As at March 31, 2021
Salaries and wages	**18,338,045**	19,675,312
Social security contributions	**14,236,112**	10,434,327
Provision for vacations	**21,615,165**	21,396,742
Provision for thirteenth-month salary	**-**	7,379,346
Provision for bonuses	**1,563,951**	1,323,033
Total	**55,753,273**	60,208,760

3.7) Taxes payable

	As at December 31, 2021	As at March 31, 2021
3.7.1) Current		
Withholdings to be deposited - Turnover tax	**5,109,891**	4,496,482
Withholdings to be deposited	**3,418,517**	2,481,167
Wealth tax	**126,998**	429,829
Value Added Tax	**-**	4,291,021
Total	**8,655,406**	11,698,499
3.7.2) Non current		
Deferred tax liabilities (Note 8)	**5,639,775**	7,083,964
Total	**5,639,775**	7,083,964

4 - BREAKDOWN OF THE MAIN STATEMENT OF PROFIT OR LOSS ACCOUNTS

(Amount in ARS)

4.1) Revenue from services	**As at December 31, 2021**	**As at March 31, 2021**
Consulting and advisory services	**530,733,566**	705,347,218
Volume discount	**(2,283,475)**	(2,093,329)
Total	**528,450,091**	703,253,889

4.2) Other income and expenses -net

(Amount in ARS)

	As at December31, 2021	**As at March 31, 2021**
Reversal of allowances (Exhibit II)	**(4,466,472)**	9,464,402
Sundry	**26,799**	586,024
Dividend from Subsidiary Companies	**-**	28,090,810
Total	**(4,439,673)**	38,141,236

5 - CAPITAL STOCK

As of March 31, 2018, the capital stock of the Company amounted to $ 42,127,767, which was fully subscribed and paid-in.

On February 22, 2019, a Unanimous Annual Meeting of Shareholders approved a capital increase in the amount of $ 5,000,000, ($14,774,202 restated at year end), together with additional paid in capital amounting to $ 350,520,000 ($981,877,023 restated at year end)..

As of March 31, 2021, $268,578,000 (at nominal value) have been paid in and the amount of $ 86,942,000 ($116,097,638 restated at year end) has remained as a receivable against shareholders, presented in Note 3.4.1 (Other current receivables) This remaining amount was paid on May 2021.

Ownership interests as of December 31 and March 31, 2021 were as follows::

(Amount in ARS)

	For the year ended December 31, 2021	**For the year ended March 31, 2021**
TCS Iberoamérica S.A.	**99.99**	99.99
TCS Uruguay S.A.	**0.01**	0.01
Total	**100.00**	100.00

6 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES: PARENT COMPANIES, SUBSIDIARIES AND RELATED COMPANIES (ART. 33, LAW 19550)

Balances and transactions with the parent company and the related companies are as follows:

(Amount in ARS)

BALANCES	For the year ended December 31, 2021	For the year ended March 31, 2021
Accounts receivable		
Tata Consultancy Services Limited	**15,994,9640**	2,400,640
Tata Consultancy Services France	**554,917**	1,337,041
Titan Company Limited	**-**	1,112,817
Tata Consultancy Services Deutschland GmbH	**850,811**	-
Total	**17,400,692**	4,850,498
Other receivables		
TCS Iberoamérica S.A. -	**-**	116,097,638
Tata Consultancy Services Limited	**6,938,603**	3,070,457
Total	**6,938,603**	119,168,095
Trade payables		
Tata America International Corporation	-	6,687,257
TCS Solution Center Sucursal Colombia	**54,664,576**	65,682,197
Tata Consultancy Services Limited	**238,021,890**	314,051,312
Tata Consultancy Services de México SA de CV	**75,875,730**	89,452,820
Titan Company Limited	**-**	631,578
Tata Consultancy Services do Brasil Ltda.	**56,388**	-
Tata Consultancy Services France	**1,897,336**	-
Tata Sons Private Limited	**481,680**	-
Total	**370,997,602**	476,505,164
TRANSACTIONS		
Revenue from sales and services		
Tata Consultancy Services Deutschland GmbH	**2,523,467**	-
Tata Consultancy Services Limited	**47,317,820**	68,670,783
TCS Uruguay S.A.	**-**	387,250
Tata Consultancy Services France	**5,225,543**	9,763,400
Total	**55,066,830**	78,821,433

	For the year ended December 31, 2021	For the year ended March 31, 2021
Cost of sales and services		
Tata Consultancy Services Limited	**75,517,687**	129,649,323
Titan Company Limited	**-**	564,703
Tata Consultancy Services de México SA de CV	**2,241,809**	3,941,165
Total	**77,759,496**	134,155,191
Dividend income		
MGDC S.C.	**-**	23,235,040
Brand equity contribution		
Tata Sons Private Limited	**481,680**	-

7 - TERMS, INTEREST RATES AND ADJUSTMENT CLAUSES OF RECEIVABLES AND PAYABLES

(Amount in ARS)

7.1) Receivables	For the year ended December 31, 2021	For the year ended March 31, 2021
a) Total amount of receivables overdue	**19,099,441**	26,091,683
b) Total amount of receivables to become due		
Up to 3 months	**213,383,654**	279,616,140
From 3 to 6 months	**472,380**	36,433,747
More than twelve months	**9,334,793**	4,843,700
Total receivables	**242,290,268**	346,985,270

Receivables do not accrue any interest nor do they have adjustment clauses as of March 31, 2021 and 2020.

(Amount in ARS)

7.2) Payables	For the year ended December 31, 2021	For the year ended March 31, 2021
a) Total amount of payables to become due		
Up to 3 months	**107,264,502**	117,876,670
More than twelve months	**368,791,816**	468,711,056
Total payables	**476,056,318**	586,587,726

Payables do not accrue any interest nor do they have adjustment clauses as of December 31 and March, 2021

8 - INCOME TAX AND DEFERRED TAXI

Deferred tax assets and liabilities are broken down as follows:

(Amount in ARS)

Deferred tax liabilities	For the year ended December 31, 2021	For the year ended March 31, 2021
Fixed assets	**1,477,705**	1,217,627
Inflation adjustment for tax purposes	**4,162,070**	5,866,337
Total deferred tax liabilities (Note 3.6.2)	**5,639,775**	7,083,964

For reporting purposes, the breakdown of main deferred tax asset items is as follows:

(Amount in ARS)

Deferred tax assets	For the year ended December 31, 2021	For the year ended March 31, 2021
Temporary differences - deferred assets	-	1,844,515
Tax loss carryforwards	**65,457,613**	87,738,281
Total deferred tax assets	**65,457,613**	89,582,796

Due to the uncertainty regarding the generation of taxable profits in the future before its statute of limitations, the Company has not recognized the deferred tax asset as of December 31 or March 31, 2021.

The detail of historical accumulated tax loss carryforwards in the amount of $ 218,192,045 and the expiration of the limitation period thereof are as follows:

(Amount in ARS)

Expiration	Tax loss carryfoward	Rate %	Computable total
2023	28,134,317	30	8,440,295
2024	104,639,668	30	31,391,900
2025	58,973,700	30	17,692,110
2026	26,444,360	30	7,933,308
	218,192,045		65,457,613

The income tax benefit is as follows:

(Amount in ARS)

	For the year ended December 31, 2021	For the year ended March 31, 2021
Due to variation in deferred tax	**(334,809)**	(2,743,050)
Due to expiration of IGMP credit	**(290,060)**	(290,060)
Total income tax	**(624,869)**	(3,414,766)

9. - AMENDMENT OF THE BY-LAWS OF THE COMPANY

On May 14, 2021, the General Shareholders' Meeting decided to modify the Company's fiscal year from March 31 to December 31 of each year.

The aforementioned amendment was registered with the Supervisory Board of Companies (I.G.J.) on October 19, 2021

10 - RECENT EVOLUTION OF THE FINANCIAL-ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES

The Company operates in a complex context due to the macroeconomic conditions, whose main variables have had a strong volatility, such as regulatory, social and political, both at the national and international level.

The operations results may be affected by the fluctuations in the inflation index and the exchange rate regarding the Argentine Peso against other currency, the variations in the interest rates, which have an impact in the capital cost, the changes in government policies, capital control and other political or economical events at national and international level. Additionally, the Argentine Government faces the challenge of achieving a successful debt negotiation with the International Monetary Fund, which could significantly impact on the economy in the mid and long term.

In this context, on December 20, 2019, the Argentine Congress passed Law No. 27 541 denominated "Social Solidarity and Productive Reactivation Law" within the Public Emergency framework, declaring the public emergency in the economic, financial, fiscal, administrative, provisional, rate, energetic, health and social areas, delegating to the Argentine Executive Branch broad powers to ensure the sustainability of public debt, regulating the rates of the energy system through a renegotiation of the integral rate revision in force and reorganizing the regulatory agencies of the energy sectors, among others. Moreover, the electricity and natural gas rates shall be kept for a maximum term of 180 days on households, commerce and industries.

Such law modified the personal property tax, increasing its aliquot, and enabled the Argentine Executive Power to set higher aliquots for financial assets located abroad. Moreover, a 30 percentage new tax on foreign currency was created. Such tax reaches the purchase of foreign bills and currency for saving or without a specific purpose. As part of the measures package aimed at reducing the fiscal deficit, such law suspended the pension adjustment system for 180 days, among others.

Additionally, on April 30, 2020, the Argentine Central Bank ("BCRA") issued Communication "A" 7001 (amended by Communication "A" 7030, Communication "A" 7042 and Communication "A" 7052 and its supplementary and amendments, hereinafter "Communication "A" 7001", which establishes certain limitations on the transference of securities to and from Argentina.

As per Communication "A" 7001, access to the Argentine exchange market for the purchase or transference in foreign currency abroad (for any purpose) shall be subjected to the previous consent from the Central Bank if the individual or entity seeking access to the Argentine exchange market has sold securities with foreign currency settlement or has transferred such values to deposit entities abroad during 90 calendar days immediately before.

Moreover, such communication established the following: (i) that the individual or entity shall commit not to sell or transfer during 90 calendar days after such access; (ii) temporary restrictions to access the Sole and Free Exchange Market ("MULC") to make certain imports payments and for the payment of loan principal when the creditor is a related entity.

Then, on September 16, 2020, Communication "A" 7106 issued by BCRA came into effect. It was then supplemented by Communication "A" 7133. As per point 7 of Communication "A" 7106, debtors registering principal due dates scheduled between October 15, 2020 and March 31, 2021 (the "Relevant Period") for financial indebtedness operations abroad and issuance of debt securities with public registry in the country denominated in foreign currency shall submit before BCRA a refinancing plan based on certain conditions so that BCRA can grant access to the exchange market for the payment of such amortizations, among others. The relevant period was extended to June 30, 2022 by Communication "A" 7416

The company has no due dates within the "relevant period". The Company's Board of Directors shall analyze the evolution of the matters described, as well as the possible modifications that may be implemented by the Argentine Government, and it shall evaluate the impacts they may have on the equity, financial, income and cash flow in the future.

In addition, among the most important indicators in economic terms, it is possible to highlight the following:

-Retail inflation for 2021 amounted to 50.94 percentage (33.63 percentage for the nine months of the irregular fiscal period). The Market Outlook Mapping made by BCRA estimates a retail inflation for December 2021 of 54.8 percentage and an economic growth of 2.9 percentage

-The Argentine Peso devaluation compared with the US Dollar was of 12 percentage in the period from March 2021 to December 2021, as per the wholesale average exchange rate of Banco de la Nación Argentina. Due to the exchange restrictions in force from August 2019 to December 31, 2021, there is an exchange gap of approximately 70 percentage between the official US Dollar rate and its rate in parallel market, which impacts on the economic activity level and effects BCRA reserves.

11 - SITUATION CAUSED BY THE CORONAVIRUS ("COVID-19") PANDEMICS

On March 11, 2020, the World Health Organization (the "WHO") declared the "public emergency of international concern" and declared the pandemics state globally due to the COVID-19 outbreak in Wuhan-China and its subsequent spread around the world.

The company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on leases etc.

12 - SUBSEQUENT EVENTS

No events or transactions have occurred from year-end to the date of issuance of these financial statements that would have a material effect on the financial position of the Company or the results of its operations at year-end.

EXHIBIT I

FIXED ASSETS

Fort the irregular financial year of 9 months ended December 31, 2021, comparative with the prior fiscal year (in pesos - constant currency) (Note 2.1)

(Amount in ARS)

Main account	Original values				Depreciation						Net	
						For the year						
	At beginning year-end	Increases	Decreases	At year-end year-end	Accumulated at beginning year-end	Rate	Amount (Exhibit IV)	Decreases	Accumulated at year-end	December 31, 2021	March 31, 2021
Leasehold improvements	117,799,382	-	-	117,799,382	117,799,382	10	-	-	117,799,382	-	-
Furniture and fixtures	49,798	-	-	49,798	49,332	20	466	-	49,798	-	466
Facilities	8,384,231	-	-	8,384,231	8,265,653	10	33,468	-	8,299,121	85,110	118,578
Computers	70,724,659	3,311,552	-	74,036,211	56,569,315	25	4,354,204	-	60,923,519	13,112,692	14,155,344
Software	1,789,213	-	-	1,789,213	1,043,708	20	335,477	-	1,379,185	410,028	745,505
Total as of December 31, 2021	**198,747,283**	**3,311,552**	**-**	**202,058,835**	**183,727,390**		**4,723,615**	**-**	**188,451,005**	**13,607,830**	
Total as of March 31, 2021	193,675,611	5,447,299	375,627	198,747,283	178,901,207		5,201,810	375,627	183,727,390	-	15,019,893

EXHIBIT II

ALLOWANCES

Fort the irregular financial year of 9 months ended December 31, 2021, comparative with the prior fiscal year (in pesos - constant currency) (Note 2.1)

(Amount in ARS)

Items	Balances at beginning of the year	Increases		Reversals		Gain/loss due to changes in currency purchasing power	Balances at year-end
Deducted from assets:							
Current							
For bad debts	-	-		-			-
Total as of December 31, 2021	-	-		-			-
Total as of March 31, 2021	4,429,505	6,604,340	(1)	(9,736,993)	(1)	(1,296,852)	-
Included in liabilities:							
Non-current							
Allowance for contingencies	**544,913**	**4,308,672**	(2)	**-**		**(787,137)**	**4,066,448**
Total as of December 31, 2021	**544,913**	**4,308,672**		**-**		**(787,137)**	**4,066,448**
Total as of March 31, 2021	14,258,643	33,418,997	(2)	(42,958,141)	(2)	(4,174,586)	544,913

(1) Included in Financial gains/losses, including RECPAM.
(2) Included in Other income and expenses, net.

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EXHIBIT III

ASSETS AND LIABILITIES IN FOREIGN CURRENCY

Fort the irregular financial year of 9 months ended December 31, 2021, comparative with the prior year (Amount in ARS)

	December 31, 2021				March 31, 2021
	Type and amount of foreign currency		Prevailing exchange rate	Amount in local currency	Amount in local currency
CURRENT ASSETS					
Cash and banks					
Banks	**USD**	**626,076**	**102.72**	**64,310,557**	71,060,174
Accounts receivable					
Ordinary	**USD**	**64,796**	**102.72**	**6,655,810**	11,548,705
Other related parties	**EUR**	**7,311**	**116.37**	**850,811**	1,337,041
	USD	**144,891**	**102.72**	**14,883,219**	-
Services to be invoiced	**USD**	**2,812**	**102.72**	**288,873**	-
Services to be invoiced to other related parties	**USD**	**16,155**	**102.72**	**1,659,411**	2,400,640
Subtotal				**24,338,124**	15,286,386
Other receivables					
Other related parties	**USD**	**160**	**102.72**	**16,458**	29,518
Security deposits	**USD**	**90,014**	**102.72**	**9,246,240**	11,051,339
Subtotal				**9,262,698**	11,080,857
Total current assets				**97,911,379**	97,427,417
NON-CURRENT ASSETS					
Investments in related parties	**MXN**	**500**	**3.28**	**1,640**	2,190
Total non - current assets				**1,640**	2,190
Total assets				**97,913,019**	97,429,607

USD: United States Dollars

EUR: Euros

MXN: Mexican Peso

EXHIBIT III

ASSETS AND LIABILITIES IN FOREIGN CURRENCY

(Amount in ARS)

	December 31, 2021				March 31, 2021
	Type and amount of foreign currency		Prevailing exchange rate	Amount in local currency	Amount in local currency
CURRENT LIABILITIES					
Trade payables					
Suppliers	**USD**	**52,480**	**102.72**	**5,390,721**	3,895,107
Relaties parties	**USD**	**18,471**	**102.72**	**1,897,336**	10,406,075
Total current liabilities				**7,288,057**	14,301,182
NON-CURRENT LIABILITIES					
Trade payables					
Relaties parties	**USD**	**1,224,368**	**102.72**	**125,767,104**	189,150,534
Total non-current liabilities				**125,767,104**	189,150,534
Total liabilities				**133,055,161**	203,451,716

USD: United States Dollars

INFORMATION REQUIRED BY ART. 64, CLAUSE (b) OF LAW 19550

(Amount in ARS)

Items	Cost of services	Selling expenses	Administrative expenses	Other operating expenses	Total for the fiscal year ended	
					December 31, 2021	March 31, 2021
Salaries and wages	**215,485,283**	**13,631,542**	**54,685,146**	**30,796,764**	**314,598,735**	448,545,467
Project expenses	**88,894,603**	**-**	**-**	**-**	**88,894,603**	168,309,666
Rentals and common expenses	**-**	**-**	**33,386,540**	**-**	**33,386,540**	49,467,408
Turnover tax	**-**	**25,933,092**	**-**	**-**	**25,933,092**	33,174,679
Severance payments	**1,450,710**	**-**	**1,996,774**	**946,382**	**4,393,866**	1,127,904
Fees and compensation for services	**28,554,717**	**-**	**7,846,069**	**-**	**36,400,786**	20,360,166
Taxes, rates and contributions	**2,879,516**	**-**	**3,141,694**	**-**	**6,021,210**	15,020,379
Surveillance	**-**	**-**	**7,819,407**	**-**	**7,819,407**	10,169,962
Bank commissions and expenses	**-**	**-**	**4,550,339**	**-**	**4,550,339**	6,057,338
Internet, communication and mail expenses	**301,884**	**152,782**	**4,939,954**	**-**	**5,394,620**	7,839,359
Cleaning expenses	**-**	**-**	**2,651,202**	**-**	**2,651,202**	3,632,146
Fees to directors	**-**	**-**	**3,395,165**	**-**	**3,395,165**	4,548,631
Recruitment and training	**325,857**	**-**	**2,198,366**	**-**	**2,524,223**	188,010
Depreciation of fixed assets Exhibit I	**923,979**	**-**	**3,799,636**	**-**	**4,723,615**	5,201,810
Per diem expenses	**-**	**-**	**-**	**-**	**-**	334,547
Travel expenses	**130,677**	**-**	**144,919**	**-**	**275,596**	70,087
Repair and maintenance	**-**	**-**	**1,313,201**	**-**	**1,313,201**	831,764
Insurance	**-**	**-**	**430,908**	**-**	**430,908**	3,300,059
Office expenses	**12,469**	**6,796**	**219,721**	**-**	**238,986**	293,884
Sundry	**456,643**	**-**	**1,653,484**	**-**	**2,110,127**	2,000,240
Marketing expenses	**75,080**	**451,240**	**-**	**-**	**526,320**	-
Total as of December 31, 2021	**339,491,418**	**40,175,452**	**134,172,525**	**31,743,146**	**545,582,541**	-
Total as of March 31, 2021	494,952,429	52,196,410	194,635,136	38,689,531	-	780,473,506

INDEPENDENT AUDITORS' REPORT

To the President and Directors of
TATA Consultancy Services Argentina S.A.

Legal address: Uspallata 3046
City of Buenos Aires

Taxpayer Identification Number: 30-70784821-5

Report on the financial statements

We have audited the accompanying financial statements of TATA Consultancy Services Argentina S.A. (hereinafter, "the Company"), which comprise the balance sheet as of December 31, 2021, the statements of profit or loss, changes in shareholders' equity and cash flows for the year then ended, notes 1 to 12 and exhibits I to IV presented as supplementary information.

The figures and other information for the year ended March 31, 2021 are an integral part of these financial statements and are presented for the purpose of being construed solely in relation to the figures and information of the current year.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the professional accounting standards in force in the City of Buenos Aires, Republic of Argentina, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards set forth by Technical Resolution No. 37 of the FACPCE. Those standards require that we comply with the ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. We relied on our professional judgment to select the procedures to be performed, including assessing the risk that the financial statements may include material misstatements derived from errors or irregularities. When performing this risk assessment, we considered the Company's existing internal controls on the preparation and presentation of financial statements for the purpose of selecting the adequate auditing procedures, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes assessing the accounting principles used and the reasonableness of the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, the results of its operations, the changes in equity and cash flows for the year then ended, in conformity with professional accounting principles in force in the City of Buenos Aires, Republic of Argentina.

Report on other legal and regulatory requirements

In compliance with legal requirements in force, we report that:

a. the accompanying financial statements arise from the Company's accounting records, and their transcription into the Journal and Inventory Book is pending;

b. we have performed the anti-money laundering and terrorist financing procedures set forth by the applicable professional standards issued by the FACPCE; and

c. as of December 31, 2021,, the accrued liability for retirement and pension contributions payable to the Pension Fund System arising from the accounting records amounted to $ 11,388,778 no amounts being due as of that date.

City of Buenos Aires, February 21, 2022

Adler, Hasenclever & Asociados S.R.L.
Public Accountants
C.P.C.E.C.A.B.A. Tº 1 - Fº 68

Leonardo Fraga (Partner)
Public Accountant (UBA)
C.P.C.E.C.A.B.A. T°166 – F°183

SUPERVISORY AUDITOR'S REPORT

To the Shareholders of
TATA CONSULTANCY SERVICES ARGENTINA S.A.

Uspallata 3647,
City of Buenos Aires
Taxpayer Identification Number: 30-70784821-5

In my capacity as Regular Supervisory Auditor of *TATA CONSULTANCY SERVICES ARGENTINA S.A.*, based on the provisions of subsection 5, section 294 of the Companies Law, I have examined the documents described in paragraph 1. Based on the documents referred to above, my responsibility is to report on such documentation, based on the work mentioned in paragraph 2.

1. DOCUMENTS UNDER EXAMINATION

a) Balance Sheet as of December 31, 2021.

b) Statement of profit or loss for the irregular fiscal period of 9 months ended December 31, 2021.

c) Statement of changes in shareholders' equity for the irregular fiscal period of 9 months ended December 31, 2021

d) Statement of cash flows for the irregular fiscal period of 9 months ended December 31, 2021.

e) Notes 1 to 12 and Exhibits I to IV.

2. SCOPE OF EXAMINATION

My examination was made in compliance with the supervisory auditors' standards in force Those standards require that the financial statements be examined in conformity with the auditing standards in force, including the verification of the consistency of the documents examined with the information on corporate decisions recorded in the minutes of the Board of Directors' meetings as well as the compliance of such decisions with the law and the bylaws in their formal and documentary aspects. An audit requires that the auditor plans and performs the procedures to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit also includes examining, on a test basis, evidence supporting the disclosures in the financial statements, as well as evaluating the accounting principles used, the significant estimates made by the Board of Directors, and the overall presentation of the financial statements taken as a whole. As it is not the supervisory auditor's responsibility to exercise management control, I have not considered in my examination the business criteria and decisions adopted by the Company to prepare my report.

In addition, I have verified that the Letter to Shareholders for the year ended December 31, 2021 contains the information required by section 66 of the Companies Law and that its figures agree with the Company's accounting records and other relevant documentation.

3. OPINION

Based on the examination conducted, in my opinion, the financial statements described in paragraph 1 present fairly, in all material respects, the financial position of TATA CONSULTANCY SERVICES ARGENTINA S.A. as of December 31, 2021, the results of its operations, the changes in shareholders' equity and cash flows for the year then ended, in conformity with professional accounting principles in force.

With regard to the Board of Directors' Letter to Shareholders, I have no comments to make as it relates to my area of responsibility. The assertions on future events stated therein are the Board of Directors' exclusive responsibility.

These accompanying financial statements and the related inventory arise from the accounting records which, in their formal aspects, are kept pursuant to the legislation in force.

City of Buenos Aires, February 21, 2022

Pablo Gustavo Traini

Regular Supervisory Auditor

TATA CONSULTANCY SERVICES DO BRASIL LTDA.

FINANCIAL STATEMENTS

For the year ended
December 31, 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

TO
THE SHAREHOLDERS AND MANAGEMENT OF
TATA CONSULTANCY SERVICES DO BRASIL LTDA.
São Paulo – SP

Opinion

We have audited the accompanying financial statements of Tata Consultancy Services do Brasil Ltda. ("Company"), which comprise the balance sheet as of December 31, 2021, and the related statements of income statement, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tata Consultancy Services do Brasil Ltda. as of December 31, 2021 and its operating performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the relevant ethical requirements set forth in the Code of Ethics for Professional Accountants and the professional standards issued by the Federal Accounting Council and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of management and those charged with governance for the financial statements

The Company's Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative to avoid doing so.

Those charged with governance are those individuals responsible for overseeing the Company's financial reporting process.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve override of internal control, collusion, forgery, intentional omissions or misrepresentations;

- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including those regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

São Paulo, February 21, 2022

Ricardo Akira Matsunaga
CT CRC 1SP-296.382/O-1

Grant Thornton Auditores Independentes
CRC 2SP-025.583/O-1

Statement of Financial Position

(in thousand BRL Reais)

	Note	As at December 31, 2021	As at December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	6(a)	**48,057**	31,668
Trade receivables			
Billed	6(b)	**109,776**	82,226
Unbilled		**39,628**	27,338
Other Financial assets	6(c)	**549**	513
Other assets	8(d)	**13,383**	10,548
Total current assets		**211,393**	152,293
Non-current assets			
Deferred tax assets (net)	12	**27,786**	39,522
Property, plant and equipment	8(a)	**25,694**	22,770
Right-of-use assets	7	**38,012**	40,394
Goodwill	8(b)	**33,106**	33,106
Other intangible assets	8(c)	**5**	9
Other assets	8(d)	**3,995**	1,698
Total non-current assets		**128,598**	137,499
TOTAL ASSETS		**339,991**	289,792
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	6(d)	**10,325**	14,211
Borrowings	6(e)	**-**	8,307
Lease Liabilities	7	**6,845**	5,587
Other financial liabilities	6(f)	**20,254**	14,990
Unearned and deferred revenue		**21,382**	18,063
Employee benefit obligations	13	**28,655**	24,070
Provisions	8(f)	**4,889**	5,356
Income tax liabilities (net)		**3,050**	2,029
Other liabilities	8(e)	**23,160**	27,758
Total current liabilities		**118,560**	120,371
Non-current liabilities			
Borrowings	6(e)	**-**	6,231
Lease Liabilities	7	**37,960**	40,379
Total non-current liabilities		**37,960**	46,610
TOTAL LIABILITIES		**156,520**	166,981
Equity			
Share capital	6(j)	**175,802**	175,802
Retained earnings		**7,669**	(52,991)
TOTAL EQUITY		**183,471**	122,811
TOTAL LIABILITIES AND EQUITY		**339,991**	289,792

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

(in thousand BRL Reais)

	Note	Year ended December 31, 2021	Year ended December 31, 2020
Revenue	9	**656,474**	528,130
Operating expenses			
Employee benefits expenses	13	**459,206**	353,896
Depreciation and amortisation expense	7 and 8	**14,705**	11,442
Other operating expenses	10	**82,356**	88,538
TOTAL OPERATING EXPENSES		**556,267**	453,876
OPERATING PROFIT		**100,207**	74,254
Other (expense) / income			
Finance and other income	11(a)	**604**	316
Finance costs	11(b)	**(4,589)**	(5,270)
Other (losses) (net)	11(c)	**(1,223)**	(8,378)
OTHER (EXPENSE) (NET)		**(5,208)**	(13,332)
PROFIT BEFORE TAXES		**94,999**	60,922
Income tax expense	12	**34,339**	23,404
PROFIT FOR THE PERIOD / YEAR		**60,660**	37,518
Other comprehensive income, net of taxes		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR		**60,660**	37,518

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Changes in Equity

(in thousand BRL Reais)

	Number of shares	Share capital	Retained earnings	Total equity
Balance as at January 1, 2020	175,802	175,802	(90,509)	85,293
Profit for the year			37,518	37,518
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	37,518	37,518
Balance as at December 31, 2020	175,802	175,802	(52,991)	122,811
Balance as at January 1, 2021	**175,802**	**175,802**	**(52,991)**	**122,811**
Profit for the period	**-**	**-**	**60,660**	**60,660**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**60,660**	**60,660**
Balance as at December 31, 2021	**175,802**	**175,802**	**7,669**	**183,471**

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Cash Flows

(in thousand BRL Reais)

	Note	Year ended December 31, 2021	Year ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period/ year		**60,660**	37,518
Adjustment to reconcile profit or loss to net cash provided by operating activities:			
Depreciation and amortisation expense	7 and 8	**14,705**	11,442
Bad debts and advances writtned off, allowances for doubtful trade receivables and advances (net)		**20**	3
Income tax expense	12	**34,339**	23,404
Unrealised foreign exchange gain		**921**	6,127
Net gain / loss on Modification of Lease		**(24)**	(21)
Net gain / loss on disposal of property, plant and equipment		**12**	(59)
Operating profit before working capital changes		**110,633**	78,414
Net change in			
Trade receivables			
Billed		**(27,570)**	(20,035)
Unbilled		**(12,290)**	(5,973)
Other financial assets		**(36)**	90
Other assets		**(5,132)**	5,093
Trade Payables		**(3,886)**	(33,446)
Unearned and deferred revenue		**3,319**	14,335
Other financial liabilities		**5,264**	1,248
Employee Benefit Obligations, Other liabilities and provisions		**(481)**	9,517
Cash generated from operations		**69,821**	49,243
Taxes paid (net of refunds)		**(21,581)**	(14,033)
Net cash provided by operating activities		**48,240**	35,210
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment		**(10,701)**	(8,945)
Payment for purchase of Intangibles assets		**-**	(5)
Proceeds from disposal of property, plant and equipment		**7**	59
Net cash provided by / (used in) investing activities		**(10,694)**	(8,891)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowings (net)		**(15,460)**	(11,689)
Repayment of lease liabilities		**(5,697)**	(3,448)
Net cash provided by / (used in) financing activities		**(21,157)**	(15,137)
Net change in cash and cash equivalents		**16,389**	11,182
Cash and cash equivalents at the beginning of the period / year		**31,668**	20,486
Cash and cash equivalents at the end of the period / year	6(a)	**48,057**	31,668
Supplementry cash flow information			
Interest paid		**4,590**	5,806
Interest received		**604**	316

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Notes forming part of the Financial Statements

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese Language version shall prevail.)

1. CORPORATE INFORMATION

Tata Consultancy Services do Brasil Ltda. ("the Company") is headquartered in the City of Barueri, State of São Paulo, and is engaged mainly in the provision of information technology services, involving: (a) IT consulting services, such as provision of computer program, software, computer system project and IT technical project development services, information technology-related implementation services, including study, support, infrastructure, research, creation, adaptation, design, preparation, data warehousing, training, data processing, systematization, automated management, database, data retrieval, installation, technical maintenance and support; (b) business process outsourcing (BPO), such as provision of labor in administrative, accounting, payroll, tax department routines, human resource management, financial department routines, controllership and other administrative service and customer service areas; (c) sale of computer programs, software, either materialized or not, recorded computer programs and the assignment and licensing and use of systems.

To provide services to specific customers, the Company has branches in Aracaju/SE, Belo Horizonte/MG, Brasília/DF, Campinas/SP, Corumbá/MS, Itabira/MG, Joinville/SC, Londrina/PR, Macaé/RJ, Mariana/MG, Nova Lima/MG, Parauapebas/PA, Rio de Janeiro/RJ, Santos/SP, São Luis/MA, São Paulo/SP and Vitória/ES.

The Company is incorporated and domiciled in Brazil. The address of its corporate office is Alameda Madeira, 328 - 13° andar - Alphaville Industrial, Barueri - SP, Postal Code 06454-010.

The Executive Committee authorized the issuance of these financial statements at the meeting held on February 21, 2022.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortized cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows have been prepared 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Brazilian Real (R$). 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 significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of with International Financial Reporting Standards (IFRS) requires management to make estimates and judgment's that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

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

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Impairment of goodwill

The Company estimates the value-in-use of the cash generating units (CGUs) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rates used for the CGUs represent the weighted average cost of capital based on the historical market returns of comparable companies.

d. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the 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. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. The 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 utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

f. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

g. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

h. Impact of COVID-19

Company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on leases etc.

5. RECENT ACCOUNTING STANDARDS

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

Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use[1]
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract[1]
Amendments to IFRS 3	Business Combinations - Reference to Conceptual Framework[1]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[1]
Amendments to IAS 1	Classification of Liabilities[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]

[1]Effective for annual periods beginning on or after January 1, 2022.

[2]Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 – Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

The company has applied IFRIC 23 effective for annual periods beginning on or after January 1, 2019 as below:

IFRIC 23 - Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

6. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized 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 amortized cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Balances with banks	**3,996**	21,560
Cash on hand	**-**	9
Bank deposits (original maturity less than three months)	**44,061**	10,099
Total	**48,057**	31,668

b. Trade Receivable - Billed

Trade Receivable - Billed consist of the following:

Trade receivables - Billed – Current

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Trade receivables	**109,798**	82,229
Less: Allowance for doubtful trade receivables - billed	**(22)**	(3)
Total	**109,776**	82,226

Trade receivables - Billed include balances with related parties amounting to BRL 22,930 thousands (BRL 19,211 thousands for 2020). {Refer note 15}

c. Other financial assets

Other financial assets consist of the following:

Other financial assets – Current

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Employee loans and advances	**465**	271
Security deposits	**39**	70
Others	**45**	172
Total	**549**	513

d. Trade Payables

Trade payables consist of the following:

Trade payables – Current

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Trade payables	**2,530**	7,469
Accrued expenses	**7,795**	6,742
Total	**10,325**	14,211

Trade payables include balances with related parties amounting to BRL 5,877 thousands (BRL 9,039 thousands for 2020). {Refer note 15}

e. Borrowings

Borrowings consist of the following:

Borrowings - Current

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Loans from related party	**-**	8,307
Total	**-**	8,307

Borrowings - Non current

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Loans from related party	**-**	6,231
Total	**-**	6,231

f. Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Current

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Capital creditors	**42**	0
Liabilities towards customer contracts	**2,844**	3,203
Accrued payroll	**17,085**	11,510
Accrued interest	**-**	1
Caution money	**283**	276
Total	**20,254**	14,990

g. Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2021 is as follows:

(in thousand BRL Reais)

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	**48,057**	**48,057**
Trade receivables		
Billed	**109,776**	**109,776**
Unbilled	**39,628**	**39,628**
Other financial assets	**549**	**549**
Total	**198,010**	**198,010**
Financial liabilities		
Trade payables	**10,325**	**10,325**
Lease Liabilities	**44,805**	**44,805**
Other financial liabilities	**20,254**	**20,254**
Total	**75,384**	**75,384**

The carrying value of financial instruments by categories as at December 31, 2020 is as follows:

(in thousand BRL Reais)

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	31,668	31,668
Trade receivables		
Billed	82,226	82,226
Unbilled	27,338	27,338
Other financial assets	513	513
Total	141,745	141,745
Financial liabilities		
Trade payables	14,211	14,211
Borrowings	14,538	14,538
Lease Liabilities	45,966	45,966
Other financial l iabilities	14,990	14,990
Total	89,705	89,705

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at December 31, 2021 and December 31, 2020 approximate the fair value. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and borrowings subsequently measured at amortized cost is not significant in each of the periods presented. Fair value measurement of lease liabilities is not required.

h. 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.

i. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the entity. Considering the economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10 percent against the respective functional currency of the Company.

The following analysis has been worked out based on the net exposures for the company as at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity.

The following table sets forth information relating to foreign currency exposure as at December 31, 2021:

(in thousand BRL Reais)

	USD	GBP	EUR	Others*
Net financial assets	**22,100**	**2,381**	**751**	**674**
Net financial liabilitites	**2,117**	**162**	**3**	**114**

10 percentage appreciation / depreciation of the respective foreign currencies with respect to functional currency of the company would result in decrease / increase in the Company's profit before taxes by approximately 2,351 thousands BRL reais for the year ended December 31, 2021.

The following table sets forth information relating to foreign currency exposure as at December 31, 2020:

(in thousand BRL Reais)

	USD	GBR	EUR	Others*
Net financial assets	13,609	1,596	3,494	2,549
Net financial liabilities	16,958	108	941	127

10 percentage appreciation / depreciation of the respective foreign currencies with respect to functional currency of the company would result in decrease / increase in the Company's profit before taxes by approximately 311 thousands BRL reais for the period ended December 31, 2020.

*Others include currencies such as Swiss Franc, Swedish Krona, Korean Won, Mexican Peso, Indian Rupee and Canadian Dollar.

- **Interest rate risk**

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents and other financial assets. Cash and cash equivalents include an amount of 46,085 thousands BRL Reais held with banks in Brasil having high quality credit rating which are individually in excess of 10 percentage or more of the Company's total cash and cash equivalents as at December 31, 2021. None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was 211,787 thousand BRL Reais and 141,745 thousand BRL Reais as at December 31, 2021 and as at December 31, 2020, respectively, being the total of the carrying amount of balances with banks, trade receivables, contract assets and other financial assets.

Tata Consultancy Services do Brasil Ltda.'s exposure to customers is diversified and single customer contributes to more than 10 percent of outstanding trade receivable and contract assets as at December 31, 2021 and as at December 31, 2020 as follows:

	As at December 31, 2021		As at December 31, 2020	
	Trade receivable and contract assets	Percentage	Trade receivable and contract assets	Percentage
Customer B	**29,559**	**18**	20,258	17
Customer C	**18,151**	**11**	5,083	4
Customer A	**15,607**	**10**	16,690	14

- **Geographic concentration of credit risk**

Geographic concentration of trade receivables (gross and net of allowances) and contract assets is as follows:

	As at December 31, 2021	As at December 31, 2020
	Net Percentage	Net Percentage
Ibero America	**77**	78
America	**17**	17
Others	**6**	5

Geographical concentration of trade receivables and contract assets is allocated based on the location of the customers.

The allowance for lifetime expected credit loss on trade receivables for the years ended December 31, 2021 and 2020 was 22 thousand BRL Reais and 3 thousand BRL Reais respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Balance at the beginning of the year	**3**	-
Charge to Profit and loss account	**20**	3
Provision written off	**(1)**	-
Balance at the end of the year	**22**	3

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(in thousand BRL Reais)

December 31, 2021	Due in 1st. year	Due in 2nd. year	Due in 3rd. to 5th. year	Due after 5years	Total
Non-derivative financial liabilities:					
Trade payables	**10,325**	**-**	**-**	**-**	**10,325**
Borrowings	**-**	**-**	**-**	**-**	**-**
Lease Liabilities	**10,926**	**10,909**	**24,082**	**14,906**	**60,823**
Other financial liabilities	**20,254**	**-**	**-**	**-**	**20,254**
Total	**41,505**	**10,909**	**24,082**	**14,906**	**91,402**

(in thousand BRL Reais)

December 31, 2020	Due in 1st. year	Due in 2nd. year	Due in 3rd. to 5th. year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade payables	14,211	-	-	-	14,211
Borrowings	8,307	6,231	-	-	14,538
Lease Liabilities	9,634	9,899	26,340	17,973	63,846
Other financial liabilities	14,990	-	-	-	14,990
Total	47,143	16,130	26,340	17,973	107,585

j. Equity instruments

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

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
(a) Authorized		
Equity shares of BRL reais 1 each (175,801,586 shares)	**175,802**	175,802
	175,802	175,802
(b) Issued, Subscribed and Paid up		
Equity shares of BRL reais 1 each (175,801,586 shares)	**175,802**	175,802
Total	**175,802**	175,802

Details of shares held by shareholders in the Company Equity Shares

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
TCS Iberoamerica Sociedad Anonima (Holding Company)	**175,802**	175,802
TCS Solution Center S.A. *	**-**	-
Percentage Holding in class	**100%**	100%

*TCS Solution Center S.A. holds one share of the company, amount is zero because of rounding off.

Fully paid equity shares, which have a par value of 175,802 thousands BRL Reais (BRL 1 each) carry one vote per share and have a right to dividend. In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

The Company's objective for capital management is to maximize 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.

7. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognizes 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 assets 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 assets 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognizes 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 Company recognizes any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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.

The details of the right-of-use asset held by the Company is as follows:

(in thousand BRL Reais)

	Additions for the year ended December 31, 2021	Net carrying amount as at December 31, 2021
Buildings	**5,055**	**31,620**
Leasehold Improvements	**-**	**6,392**
Total	**5,055**	**38,012**

(in thousand BRL Reais)

	Additions for the year ended December 31, 2020	Net carrying amount as at December 31, 2020
Buildings	13,029	32,410
Leasehold Improvements	-	7,984
Total	13,029	40,394

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

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Buildings	**5,352**	4,234
Lease hold Improvements	**1,592**	1,597
Total	**6,944**	5,831

Interest on lease liabilities is BRL 4,474 thousand Reais and BRL 4,077 thousand Reais for the year ended on December 31, 2021 and 2020, respectively.

The Company incurred 329 thousand BRL Reais and 440 thousand BRL Reais for the years ended December 31, 2021 and 2020, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is 10,500 thousand BRL Reais and 7,965 thousand BRL Reais for the years ended December, 2021 and 2020, respectively, including cash outflow for short-term leases and leases of low-value assets.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

8. NON-FINANCIAL ASSETS AND 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 with highlighted portion so as to expense the cost less residual values 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
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture, fixtures, office equipment and other assets	4-10 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 and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Property, plant and equipment consist of the following:

(in thousand BRL Reais)

	Leasehold improvement	Computer equipment	Electrical installations	Furniture and fixtures	Office equipments	Total
Gross block as at January 1, 2021	**7,081**	**19,473**	**2,695**	**1,903**	**1,775**	**32,927**
Purchases	**214**	**9,294**	**144**	**72**	**1,027**	**10,751**
Disposals	**-**	**(23)**	**-**	**-**	**-**	**(23)**
Gross block as at December 31, 2021	**7,295**	**28,744**	**2,839**	**1,975**	**2,802**	**43,655**
Accumulated depreciation as at January 1, 2021	**1,011**	**7,458**	**498**	**787**	**542**	**10,296**
Depreciation for the period	**540**	**6,098**	**303**	**389**	**427**	**7,757**
Disposals	**-**	**(4)**	**-**	**-**	**-**	**(4)**
Accumulated depreciation as at December 31, 2021	**1,551**	**13,552**	**801**	**1,176**	**969**	**18,049**
Net carrying amount as at December 31, 2021	**5,744**	**15,191**	**2,038**	**799**	**1,834**	**25,605**
Capital work-in-progress						**89**
Total						**25,694**

(in thousand BRL Reais)

	Leasehold improvement	Computer equipment	Electrical installations	Furniture and fixtures	Office equipments	Total
Gross block as at January 1, 2020	6,762	13,920	2,218	1,808	949	25,657
Purchases	319	7,352	477	95	826	9,069
Disposals	-	(1,799)	-	-	-	(1,799)
Gross block as at December 31, 2020	7,081	19,473	2,695	1,903	1,775	32,927
Accumulated depreciation as at January 1, 2020	491	5,114	231	417	233	6,486
Depreciation for the period	520	4,143	267	370	309	5,609
Disposals	-	(1,799)	-	-	-	(1,799)
Accumulated depreciation as at December 31, 2020	1,011	7,458	498	787	542	10,296
Net carrying amount as at December 31, 2020	6,070	12,015	2,197	1,116	1,233	22,631
Capital work-in-progress						139
Total						22,770

b. Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Goodwill consist of the following:

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Balance at the beginning of the year	**33,106**	33,106
Foreign currency exchange gain / (loss)	**-**	-
Balance at the end of the year	**33,106**	33,106

Tata Consultancy services do Brasil Ltda. tests goodwill annually for impairment.

Goodwill of 33,106 thousands BRL Reais as at December 31, 2021 and December 31, 2020 has been allocated to the entity as a CGU. The company estimated the value-in-use of the CGU based on future cash flows using a 3.5 percent annual growth rate for periods subsequent to the forecast period of 10 years and discount rate of 17.57 percent. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, did not identify any probable scenario where in the recoverable amount of the CGU is below its carrying amount.

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 amortization and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licenses.

Following table summarizes the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Rights under licensing agreement and software licenses	Lower of license period and 2-5 years

Intangible assets are amortized 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:

(in thousand BRL Reais)

	Software licences	Total
Cost as at January 1, 2021	**13**	**13**
Additions	**-**	**-**
Cost as at December 31, 2021	**13**	**13**
Accumulated amortisation as at January 1, 2021	**4**	**4**
Amortization for the period	**4**	**4**
Accumulated amortisation as at December 31, 2021	**8**	**8**
Net carrying amount as at December 31, 2021	**5**	**5**

(in thousand BRL Reais)

	Software licences	Total
Cost as at January 1, 2020	3,329	3,329
Additions	5	5
Disposals	(3,321)	(3,321)
Cost as at December 31, 2020	13	13
Accumulated amortisation as at January 1, 2020	3,323	3,323
Amortization for the period	2	2
Disposals	(3,321)	(3,321)
Accumulated amortisation as at December 31, 2020	4	4
Net carrying amount as at December 31, 2020	9	9

The estimated amortization for the years subsequent to December 31, 2021 is as follows:

(in thousand BRL Reais)

Year Ending December 31,	Amortisation expenses (In thousands BRL Reais)
2022	**3**
2023	**2**
Total	**5**

d. Other assets

Other assets consist of the following:

(a) Other assets – Current

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Advances to suppliers	**4**	-
Prepaid expenses	**2,444**	521
Contract assets	**10,738**	9,257
Contract fulfillment costs	**197**	267
Others	**-**	503
Total	**13,383**	10,548

(b) Other assets – Non-current

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Prepaid expenses	**103**	139
Contract assets	**3,039**	387
Contract fulfillment costs	**-**	197
Others	**853**	975
Total	**3,995**	1,698

Contract fulfilment cost of 267 thousands BRL Reais and 449 thousands BRL Reais for the year ended December 31, 2021 and 2020, respectively, have been amortized in the profit or loss. Refer note 9 for changes in contract assets.

e. Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Indirect tax payable and other statutory liabilities	**22,965**	26,824
Advance received from customers	**195**	934
Total	**23,160**	27,758

f. Provisions

Provisions consist of the following:

Provisions – Current

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Provision towards legal claims	**4,750**	3,829
Provision for forseeable losses	**139**	1,527
Total	**4,889**	5,356

9. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customization services rendered significantly modifies or customizes the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalization. Such costs are amortized over the contractual period or useful life of the license, 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 is excess of revenue earned over billings on contracts. Contract assets are classified as trade receivable - unbilled (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 is billings in excess of revenues.

The billing schedules agreed with customers could 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 Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Consultancy Services	**656,474**	528,130
Total	**656,474**	528,130

Revenue disaggregation by industry vertical is as follows:

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Industry Vertical		
Banking, Financial and Insurance	**176,045**	135,772
Manufacturing	**220,272**	202,935
Retail and Consumer Products	**56,035**	40,045
Communication, Media and Technology	**34,011**	38,747
Others	**170,111**	110,631
Total	**656,474**	528,130

Revenue disaggregation by geography is as follows:

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Geography		
Ibero America	**460,157**	371,598
America	**156,817**	119,477
Europe	**37,757**	35,585
India	**1,468**	806
Others	**275**	664
Total	**656,474**	528,130

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is 263,791 thousands BRL Reais out of which 51.46 percent is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Balance at the beginning of the year	**9,644**	14,947
Revenue recognized during the year	**8,908**	19,813
Invoices raised during the year	**(4,894)**	(26,440)
Translation exchange difference	**119**	1,324
Balance at the end of the year	**13,777**	9,644

Changes in unearned and deferred revenue are as follows:

(in thousand BRL Reais)

	As at December 31, 2021	As at December 31, 2020
Balance at the beginning of the year	**18,063**	3,728
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year.	**(17,984)**	(3,537)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year.	**20,364**	17,454
Translation exchange difference	**939**	418
Balance at the end of the year	**21,382**	18,063

10. COST RECOGNITION

Costs and expenses are recognized when incurred and have been classified according to their nature in the following categories:

The costs of the Company are broadly categorized into employee benefits expenses, depreciation and amortization and other operating expenses. Employee benefits expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts, and other expenses.

Other operating expenses

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Fees to external consultants and others	**52,369**	46,635
Facility expenses	**5,581**	6,594
Travel expense	**3,017**	4,514
Communication expense	**2,661**	3,476
Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)	**20**	3
Other expenses	**18,708**	27,316
Total	**82,356**	88,538

- **Expenses by function**

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Cost of revenue	**456,183**	365,271
Selling, general and administrative expenses	**100,084**	88,606
Total	**556,267**	453,877

11. OTHER INCOME

a. Finance and other income

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

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Interest income on bank deposits	**559**	316
Others	**45**	-
Total	**604**	316

b. Finance costs

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Interest on Lease Liabilities	**4,474**	4,077
Interest on loans other than banks	**110**	1,014
Other interest expense	**5**	179
Total	**4,589**	5,270

c. Other Gains / (Losses) (net)

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Net gain / (loss) on disposal of property, plant and eqiupment	**(12)**	59
Net foreign exchange gains (losses)	**(1,236)**	(8,537)
Others	**25**	100
Total	**(1,223)**	(8,378)

12. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period.

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.

Deferred income taxes

The Company accounts for the deferred income taxes using the balance sheet approach. Deferred income taxes are provided for the temporary differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

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

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 utilized.

The income tax expense consists of the following:

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Current Tax		
Current tax expense for current period/ year	**22,097**	16,354
Current tax benefit pertaining to prior years	**506**	1,705
	22,603	18,059
Deferred tax		
Deferred tax (benefit) / expense for current period/ year	**11,612**	5,345
Deferred tax expense / (benefit) pertaining to prior years	**124**	-
	11,736	5,345
Total	**34,339**	23,404

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit or loss is as follows:

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Profit before taxes	**94,999**	60,922
Federal income tax rate	**34%**	34%
Expected income tax expense	**32,300**	20,713
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax pertaining to prior years	**630**	1,705
Others (net)	**1,409**	986
Total income tax expense	**34,339**	23,404
Effective Tax Rate	**36%**	38%

Significant components of net deferred tax assets and liabilities for the period ended December 31, 2021 are as follows:

(in thousand BRL Reais)

	Opening balance	Recognised/ Reversed in profit or loss	Recognised through retained earnings	Closing balance
Deferred tax assets / (liabilities) in relation to				
Goodwill Amortization	**(11,256)**	**-**	**-**	**(11,256)**
Accumulated Losses (refer note a)	**37,986**	**(9,904)**	**-**	**28,082**
Lease liabilities (Refer Note 7)	**1,897**	**413**	**-**	**2,310**
Others	**10,895**	**(2,245)**	**-**	**8,650**
Total deferred tax asset / (liabilities)	**39,522**	**(11,736)**	**-**	**27,786**

Significant components of net deferred tax assets and liabilities for the period ended December 31, 2020 are as follows:

(in thousand BRL Reais)

	Opening balance	Recognised/ Reversed in profit or loss	Recognised through retained earnings	Closing balance
Deferred tax assets / (liabilities) in relation to				
Goodwill Amortization	(11,256)	-	-	(11,256)
Accumulated Losses (refer note a)	45,286	(7,300)	-	37,986
Lease Liabilities (Refer Note 7)	1,084	813	-	1,897
Others	9,753	1,142	-	10,895
Total deferred tax asset / (liabilities)	44,867	(5,345)	-	39,522

Note

a) As at December 31, 2021, the Company's accumulated tax loss carry forwards is 82,595 thousands BRL reais (111,724 thousands BRL reais as at December 31, 2020). In accordance with the prevailing tax law, tax loss carry forwards may be carried forward indefinitely but their utilization is limited to 30 percent of future annual taxable income.

Direct tax Contingencies

The company has ongoing disputes with Tax authorities in Brasil. These mainly include utilization of tax credit by the Company not validated by tax authority. As at December 31, 2021, the company has contingent liability of 194 thousands BRL reais (December 31, 2020: 634 thousands BRL reais) in respect of tax demands which are being contested by the Company based on the management evaluation and on the advice of tax consultants.

13. EMPLOYEE BENEFITS

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 recognized in the period in which the employee renders the related service. A liability is recognized 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.

Employee cost consists of the following:

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Salaries, incentives and allowances	**357,584**	277,943
Contribution to provident and other funds	**70,067**	54,125
Staff welfare expenses	**31,555**	21,828
Total	**459,206**	353,896

Employee benefit obligations consist of the following:

Employee benefit obligations – Current

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Compensated absences	**28,442**	23,939
Other employee benefit obligations	**213**	131
Total	**28,655**	24,070

14. COMMITMENTS AND CONTINGENCIES

- **Capital Commitments**

  The company has contractually committed (net of advances) 3,320 thousands BRL reais and 1,312 thousands BRL reais as at December 31 2021 and 2020 respectively, for purchase of property, plant and equipment.

- **Direct tax matters**

  Refer note 12.

- **Indirect tax matters**

  The company has ongoing disputes with Tax authorities in Brasil. These mainly include utilization of tax credit by the Company not validated by tax authority. As at December 31, 2021, the company has contingent liability of 4,287 thousands BRL reais (December 31, 2020: NIL thousands BRL reais) in respect of tax demands which are being contested by the Company based on the management evaluation and on the advice of tax consultants.

- **Other claims**

  As at December 31, 2021, claims aggregating 2,109 thousands BRL reais (December 31, 2020: 3,569 thousands BRL reais) against the Company have not been acknowledged as debts.

15. RELATED PARTY TRANSACTIONS

The Company's principal related parties consist of its ultimate holding company Tata Consultancy Services Limited and its subsidiaries and key managerial personnel. The related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Transactions with related parties are as follows:

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Revenue from operations		
Associates and Joint Ventures of Tata SonsPrivate limited		
Jaguar e land Rover Brasil Importacao e Comercio de Veiculos Ltda	**-**	43
Jaguar land Rover Brasil Industria e Comercio de Veiculos Ltda	**-**	1,908
Total	**-**	1,951
Tata Consultancy Services Limited	**155,684**	115,588
Subsidiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**-**	64
Tata Consultancy Services Sverige AB	**1,025**	2,131
Tata Consultancy Services Asia Pacific Pte Ltd	**-**	54
Tata Consultancy Services de Espana	**-**	76
Tata Consultancy Services Deutschland Gmbh	**7,870**	12,714
Tata Consultancy Services France S.A.S	**4,456**	4,249
TATA Consultancy Services Italia sri	**1,222**	1,667
Tata Consultancy Services Netherlands B.V.	**2,234**	4,536
Tata Consultancy Services Sucursal del Peru	**25**	40
Tata Consultancy Services Switzerland Ltd.	**5,729**	1,779
TCS Colombia	**357**	1,016
Tata Consultancy Services De Mexico S.A.,De C.V.	**1,091**	1,054
TCS Canada Inc.	**305**	593
Tata Consultancy Services Malaysia Sdn Bhd	**107**	-
Total	**24,421**	29,973
Interest Expense		
Subsidiaries of Tata Consultancy Services Limited		

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(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Tata Consultancy Services De Mexico S.A.,De C.V.	**110**	875
TCS Uruguay S.A.	**-**	139
Total	**110**	1,014
Purchases of goods and services (induding reimbursements)		
Associates and Joint Ventures of Tata Sons Private limited		
Titan Company Limited	**-**	318
Total	**-**	318
Tata Consultancy Services Limited	**41,833**	40,114
Subsidiaries of Tata Consultancy Services Limited		
MGDC S.C.	**-**	3
TCS Canada Inc.	**-**	(78)
TCS de Espana SA	**(10)**	47
TCS de Mexico SA de CV	**2,268**	2,758
TCS Uruguay S.A.	**2,315**	2,307
Tata America International Corporation	**(552)**	(128)
TCS Colombia	**-**	164
Tata Consultancy Services Argentina S.A.	**(3)**	-
Tata Consultancy Services Malaysia Sdn Bhd	**2**	-
Total	**4,019**	5,073
Brand equity contribution		
Tata Sons Private Limited	**1,191**	1,103
Loan Repaid		
Subsldiaries of TataConsultancy Services Limited		
TCS de Mexico SA de CV	**15,460**	-
Total	**15,460**	-
Trade receivables and contract assets		
Associates and Joint Ventures of Tata Sons Private Limited		
Jaguar Land Rover Brasil Industria e Comercio de Veiculos Ltda	**-**	372
Total	**-**	372
Tata Consultancy services Limited	**29,559**	20,258
Subsldiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**145**	95
Tata Consultancy Services Argentina S.A.	**3**	-
Tata Consultancy Services Asia Pacific Pte Ltd.	**-**	1,025

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Tata Consultancy Services Canada Inc.	**3**	79
Tata Consultancy Services Sucursal del Peru	**17**	1
Tata Consultancy Services De Espana S.A.	**-**	490
Tata Consultancy Services Oe Mexico S.A.,Oe C.V.	**80**	1,162
Tata Consultancy Services Deutschland GmbH	**378**	(1,681)
Tata Consultancy Services France SA	**484**	366
Tata Consultancy Services Malaysia Sdn Bhd	**109**	-
Tata Consultancy Services Netherlands BV	**(138)**	1,991
Tata Consultancy Services Sverige AB	**-**	416
Tata Consultancy Services Switzerland Ltd.	**1,487**	(261)
TCS Italia SRL	**102**	301
TCS Colombia	**38**	110
Total	**2,708**	4,094
Loans, other financial assets and other assets		
Tata Consultancy services Limited	**2,042**	300
Subsldiaries of Tata Consultancy Services Limited		
TCS Uruguay S. A.	**26**	62
Tata Consultancy Services De Mexico S.A.,De C.V.	**43**	66
Total	**69**	129
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities		
Tata Sons Private Limited	**920**	2,203
Tata Consultancy Services Limited	**11,724**	16,000
Subsldiaries of Tata Consultancy Services Limited		
Tata America International Corporation	**18**	17
Tata Consultancy Services De Espana S.A.	**-**	10
Tata Consultancy Services De Mexico S.A.,De C.V.	**929**	15,303
Tata Consultancy Services Deutschland GmbH	**-**	5,015
Tata Consultancy Services France SA	**13**	295
Tata Consultancy Services Malaysia Sdn Bhd	**2**	-
Tata Consultancy Services Netherlands BV	**342**	82
Tata Consultancy Services Switzerland Ltd.	**311**	386
Tata Consultancy Services Sverige AB	**4**	-
TCS Italia SRL	**54**	-
TCS Uruguay S.A.	**414**	470
TCS Colombia	**-**	168
Total	**2,087**	21,746

(in thousand BRL Reais)

	Year ended December 31, 2021	Year ended December 31, 2020
Compensation to key management personnel		
Short-term benefits	**3,423**	3,088
Total	**3,423**	3,088

16. SUBSEQUENT EVENTS

There were no subsequent events that need disclosure.

TATA CONSULTANCY SERVICES DE MEXICO, S.A., DE C.V.

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT THEREON

For the year ended
December 31, 2021 and 2020

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

TO THE STOCKHOLDERS OF
TATA CONSULTANCY SERVICES DE MEXICO, S.A. DE C.V.

Opinion

We have audited the accompanying financial statements of TATA Consultancy Services de México, S.A. de C.V., (the "Company"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in stockholders' equity and cash flows, for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TATA Consultancy Services de México, S.A. de C.V., as of December 31, 2021, and 2020, and its financial performance and its cash flows for the years then ended, in conformity with International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report, and the related "Exhibit". We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Mexico in accordance with the Instituto Mexicano de Contadores Públicos A.C.'s Code of Professional Ethics (IMCP Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA and IMCP Codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, or otherwise, making the appropriate disclosures.

Management is responsible for overseeing the Company´s financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of TATA Consultancy Services de México, S.A. de C.V. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

SALLES, SAINZ – GRANT THORNTON, S. C.

Mexico City, Mexico
February 21, 2021

C.P.C. Guillermo Segura Herrera

Additional description of our responsibilities regarding the audit of the financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control..
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement of Financial Position

(In millions of Mexican pesos)

	Note	As of December 31, 2021	As of December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	7 (a)	**859.92**	1,395.64
Trade receivables			
Billed	7 (b)	**447.23**	242.91
Unbilled	7 (d)	**70.37**	117.64
Related parties	7 (c) A	**1,329.48**	708.92
Other current financial assets	7 (e) a	**40.43**	16.11
Advance Income Tax - Current	14	**19.15**	-
Other current assets	9 (b)	**458.97**	475.63
Total current assets		**3,225.55**	2,956.85
Non-current assets			
Related parties	7 (c) A	**-**	27.21
Trade receivables Unbilled	7 (d)	**-**	0.46
Other non-current financial assets	7 (e) b	**144.15**	141.73
Deferred tax assets	14	**371.77**	227.75
Property, Plant and Equipment	9 (a) i	**300.37**	323.28
Right-of-use assets	8	**280.05**	312.67
Intangible assets	9 (a) ii	**0.16**	0.80
Other non-current assets	9 (b)	**14.28**	1.21
Total non-current assets		**1,110.78**	1,035.11
Total Assets		**4,336.33**	3,991.96
LIABILITIES AND EQUITY			
Liabilities:			
Current liabilities:			
Trade and other payables	9 (c)	**74.41**	48.99
Lease liabilities	8	**58.47**	58.57
Related parties	7 (c) B	**255.18**	243.63
Provisions		**0.43**	0.95
Other current liabilities	9 (d)	**213.85**	158.99
Other current financial liabilities	7 (f)	**8.25**	25.47
Unearned and deferred revenue	9 (e)	**67.80**	27.45
Employee benefit obligations	12	**437.87**	317.37
Income tax liabilities	14	**1,001.57**	262.34
Total current liabilities		**2,117.83**	1,143.76
Non-current liabilities:			
Employee benefit obligations	12	**157.92**	144.44
Lease liability	8	**227.97**	250.10
Total non-current liabilities		**385.89**	394.54
TOTAL LIABILITIES		**2,503.72**	1,538.30

	Note	As of December 31, 2021	As of December 31, 2020
Equity			
Share Capital	7 i	**2.61**	2.61
Legal reserves		**0.01**	0.01
Retained earnings		**1,811.78**	2,473.05
Other comprehensive income		**18.21**	(22.01)
Total Equity		**1,832.61**	2,453.66
TOTAL LIABILITIES AND EQUITY		**4,336.33**	3,991.96

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

(In millions of Mexican pesos)

	Note	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue from operations	10	**7,840.80**	6,670.27
Sale of equipment and software licenses		**0.00**	1.55
Total revenue		**7,840.80**	6,671.82
Operating expenses:			
Employee benefit expense	12	**5,332.73**	4,163.05
Operation and other expense	11	**843.20**	1,154.27
Depreciation and amortization expense	8 & 9(a)	**194.09**	185.35
TOTAL OPERATING EXPENSES		**6,370.02**	5,502.67
Operating Profit		**1,470.78**	1,169.15
Other income / (expense):			
Finance income	13 (a)	**4.08**	5.60
Finance costs	13 (b)	**(235.29)**	(14.55)
Other gains / (losses), net	13 (c)	**13.32**	(93.96)
		(217.89)	(102.91)
PROFIT BEFORE INCOME TAXES		**1,252.89**	1,066.24
Income tax expense	14	**657.86**	331.22
NET INCOME		**595.03**	735.02
OTHER COMPREHENSIVE INCOME			
Remeasurement of defined benefit obligations		**40.22**	(22.01)
NET AND TOTAL COMPREHENSIVE INCOME		**635.25**	713.01

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Changes in Equity

(In millions of Mexican pesos)

	Number of shares (Fixed and variable)	Equity share capital	Legal reserves	Retained earnings	Other components of equity	Total equity
Balance as of January 01, 2020	2,614,406	2.61	0.01	1,920.18	-	1,922.80
Net income for the year	-	-	-	735.02	-	735.02
Other comprehensive income/(loss) for the year	-	-	-	-	(22.01)	(22.01)
Total comprehensive income for the year	-	-	-	735.02	(22.01)	713.01
Dividend distribution	-	-	-	(182.15)	-	(182.15)
Balance as of December 31, 2020	**2,614,406**	**2.61**	**0.01**	**2,473.05**	**(22.01)**	**2,453.66**
Net income for the year	**-**	**-**	**-**	**595.03**	**-**	**595.03**
Other comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**40.22**	**40.22**
Total comprehensive income for the year	**-**	**-**	**-**	**595.03**	**40.22**	**635.25**
Dividend distribution				**(1,256.30)**	**-**	**(1,256.30)**
Balance as of December 31, 2021	**2,614,406**	**2.61**	**0.01**	**1,811.78**	**18.21**	**1,832.61**

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Cash Flows

(In millions of Mexican pesos)

	Year ended December 31, 2021	Year ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	**595.03**	735.02
Adjustment to reconcile profit or loss to net cash provided by operating activities:		
Depreciation and amortisation expense	**194.09**	185.35
Interest income	**(0.52)**	(3.60)
Income tax and Deferred tax expense	**657.86**	331.22
Unrealized exchange (gain)/ loss	**(25.48)**	173.73
Exchange fluctuation on loans granted	**-**	-
Allowances for doubtful trade receivables and bad debts written off	**0.52**	0.08
Lease concession	**(0.80)**	(1.87)
Net change in:	**-**	-
Trade receivables	**-**	-
Billed	**(204.84)**	13.12
Unbilled	**47.73**	15.35
Related parties	**(581.80)**	(469.66)
Other financial assets (current and non - current)	**(26.74)**	(5.42)
Other assets (current and non - current)	**3.58**	91.53
Trade payables	**25.42**	16.49
Other financial liabilities (current)	**(17.75)**	24.04
Unearned and deferred revenues	**40.35**	22.25
Other liabilities (current and non-current)	**229.06**	587.91
Cash generated from operations	**935.71**	1,715.54
Taxes paid	**(81.80)**	(116.44)
Net cash provided by operating activities'	**853.91**	1,599.10
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment, Right to Use Asset	**(101.39)**	(477.06)
Net cash used in investing activities	**(101.39)**	(477.06)

	Year ended December 31, 2021	Year ended December 31, 2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**(1,256.30)**	(182.15)
Repayment of lease liabilities	**(62.09)**	(25.61)
Net cash used in financing activities	**(1,318.39)**	(207.76)
Net increase / (decrease) in cash and cash equivalents	**(565.87)**	914.28
Effect of foreign exchange on cash	**30.15**	(179.60)
Cash and cash equivalents, beginning of the year	**1,395.64**	660.96
Cash and cash equivalents, end of the year	**859.92**	1,395.64

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Notes forming part of the Financial Statements

1. REPORTING ENTITY

Tata Consultancy Services de México, S.A. de C.V. (the "Company") is a subsidiary de TCS Iberoamérica, SA and is engaged in providing information technology and consultancy services, application development, IT infrastructure management, including services under contracts for software development, implementation and other related services. It was incorporated as a corporation with variable capital, in accordance with Mexican law, on April 9, 2003, with a duration of 99 years and with principal place of business in Avenida Eugenia, No. 197, piso 6-A Colonia Narvarte, Alcaldía Benito Juarez, Mexico City.

As of January 1, 2020, Tata Consultancy Services de México, S.A. de C.V. and MGDC, S.C. entered into a labour substitution with the intention of consolidating his market position and prepare for future growth. As a result of this labor substitution, employees, fixed assets and lease contracts were transferred from MGDC S.C. to Tata Consultancy Services de Mexico S.A., de C.V. Details have been mentioned in the respective schedule notes.

Authorization

On February 21, 2022 Mr. Claudio Yukio Yoshida (Finance Director) and Rajeev Gupta (Country Head, Mexico) authorised the issuance of the accompanying financial statements and related notes thereto.

In accordance with the General Corporations Law and the bylaws of Tata Consultancy Services de México, S.A. de C.V., the stockholders are empowered to modify the financial statements after issuance. The accompanying financial statements will be submitted to the next Stockholders' Meeting for approval.

2. STATEMENT OF COMPLIANCE

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB).

3. BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period and employee benefit obligation – non-current, which is discounted to its present value.

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.

Functional and reporting currency

The aforementioned financial statements are presented in Mexican pesos (reporting currency), which is the same as the local currency and the functional currency.

To determine the functional currency, management assesses the economic environment in which it primarily generates and disburses cash. For this, factors related to sales, costs, sources of financing and cash flows generated by the operation are considered. The Company has identified Mexican Pesos as its functional currency.

As of December 31, 2021 and 2020, the peso/dollar exchange rates were $20.43 and $19.91, respectively. Unless otherwise indicated, all financial information presented in pesos has been rounded to the nearest millions. When referring to "US" or dollars, it refers to amounts expressed in millions of dollars of the United States of America or

E.U.A, when referring to "EUR" means millions of Euro, "CAD" means millions Canadian dollar, "BRL" means millions of Brazilian real, "ARS" means millions of Argentine peso, "COP" means millions of Colombian peso, "GBP" means millions of Great Britain Pound, "CHF" means millions of Swiss Francs, "PEN" means millions of Peruvian Sol, "UYU" means millions of Uruguayan Peso and "CLP" means millions of Chilean peso.

The significant accounting policies used in the preparation of the financial statements have been discussed in the respective notes.

Prepayments

Mainly include prepayments for the purchase of services that are received after the date of the statement of financial position and in the ordinary course of operations.

Statements of income presentation

The Company presents income in a single statement of net income entitled "Statement of profit or loss" given that the Company did generate Other Comprehensive Income (OCI) during the current year or the preceding year, which is presented for comparative purposes. Given that the Company is a service entity, ordinary costs and expenses are presented based on their nature, as the information so reported is clearer. Additionally, the "Operating profit" line item is included, which results from subtracting the operating expenses from total revenues, as this line item is considered to provide a better understanding of the Company's economic and financial performance.

Statements of cash flows

The statements of cash flows of the Company are presented using the indirect method..

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised, and future periods are affected.

The key source of estimation uncertainty at the date of the financial statements, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are useful lives of leasehold improvements, furniture and equipment, valuation of deferred tax assets, provisions and contingent liabilities and has been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and fair value measurement of financial instruments have been discussed in their respective policies.

(a) Revenue recognition

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

(b) Useful lives of leasehold improvements, furniture and equipment

The Company reviews the carrying amount of equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(c) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note 14.

(d) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at the end of each reporting period adjusted to reflect the current best estimates. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(e) Foreign currency

Transactions in foreign currency are translated at the exchange rate prevailing on the date of execution or settlement. Monetary assets and liabilities are at the exchange rate on the balance sheet date. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are reported on the statement of income, on other gains (losses), net..

(f) 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.'

(g) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

(h) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by

an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Impact of COVID-19 (pandemic)

Company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on leases etc.

5. NATURE AND PURPOSE OF RESERVES

Retained earnings.

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

Statement of comprehensive income presentation

The Company opted for reporting comprehensive income in a single statement that includes all the items that comprise net income or loss and other comprehensive income (OCI), entitled "Statement of Comprehensive Income". Additionally, the "Operating profit" line item is included, which results from subtracting the cost of sales and expenses from total revenues, as this line item is considered to provide a better understanding of the Company's economic and financial performance.

Given that the Company is a service entity, ordinary costs and expenses are presented based on their nature, as the information so reported is clearer.

Capital stock

Common shares are classified in stockholders' equity.

6. NEWLY ISSUED IFRS NOT YET ADOPTED

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective, other than the amendment to IFRS 16 for COVID-19-Related Rent Concessions where earlier application is permitted:

Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use[1]
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract[1]
Amendments to IFRS 3	Business Combinations - Reference to Conceptual Framework[1]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[1]
Amendments to IAS 1	Classification of Liabilities[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]

[1]Effective for annual periods beginning on or after January 1, 2022.

[2]Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 – Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as

regards the Illustrated Example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other income

Financial assets are measured at fair value through other income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Capital stock

Common shares are classified in stockholders' equity.

Impairment of Financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime 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:

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Current account balances with banks	**44.89**	300.35
Bank deposits (original maturity less than three months)	**815.03**	1,095.29
Total	**859.92**	1,395.64

As of December 31, 2021, and 2020 there is no restricted cash.

In note 7 (g) the Company discloses the sensitivity analysis for financial assets and liabilities.

b. Trade receivables - Billed

Trade receivables -Billed consist of the following:

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Trade receivables- Billed	**447.75**	243.49
Less: Allowance for doubtful trade receivables	**(0.52)**	(0.58)
Total	**447.23**	242.91

Movement in the allowance for bad and doubtful debts are as follows:

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Balance at the beginning of the year	**0.58**	0.50
Allowance for doubtful receivables	**(0.06)**	0.08
Balance at the end of the year	**0.52**	0.58

c. Related Parties

a) Related Parties Assets

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Financial assets		
Trade receivables		
Billed	**911.37**	491.77
Unbilled	**387.00**	162.37
Loans granted	**-**	31.86
Other current financial assets	**0.28**	0.08
Total Financial assets	**1,298.65**	686.08
Other Assets		
Prepaid Expense	**30.83**	3.72
Contract assets	**-**	19.12
Total	**1,329.48**	708.92

Non- Current financial assets

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Financial assets		
Loans granted	**-**	23.90
Total Non- Current financial assets	**-**	23.90
Other Assets		
Contract assets	**-**	3.31
Total	**-**	27.21

b) Related Parties Liabiliities

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Financial liabilities		
Trade and other payables	**158.35**	165.66
Other current financial liabilities	**20.18'**	23.28
Total Financial liabilities	**178.53**	188.94
Other current liabilities		
Unearned and deferred revenue	**76.65**	54.69
Total other current liabilities	**76.65**	54.69
Total	**255.18**	243.63

d. Trade receivable - Unbilled

(In millions of Mexican pesos)

Trade receivable - Unbilled - Current	As of December 31, 2021	As at December 31, 2020
Trade receivable - Unbilled	**70.37**	117.64
	70.37	117.64

(In millions of Mexican pesos)

Trade receivables - Unbilled - Non Current	As of December 31, 2021	As at December 31, 2020
Trade receivable - Unbilled	**-**	0.46
	-	0.46

e. Other financial assets

Other financial assets consist of the following:

a) Other current financial assets

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Employee advances	**40.31**	15.78
Others	**0.12**	0.33
Total	**40.43**	16.11

b) Other non-current financial assets

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Deposits for premises	**10.84**	9.48
Security deposit	**133.31**	132.25
Total	**144.15**	141.73

f. Other financial liabilities

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Capital Creditors	**7.20**	23.92
Payable for volume discount	**1.05**	1.55
Total	**8.25**	25.47

g. Financial instruments by category

The carrying value of financial instruments by category as at December 31, 2021 is as follows:

(In millions of Mexican pesos)

	Amortized cost	Total carrying value
Financial assets		
Cash	**859.92**	**859.92**
Trade receivables		
Billed	**447.23**	**447.23**
Unbilled receivables	**70.37**	**70.37**
Related parties	**1,298.65**	**1,298.65**
Other financial assets	**184.58**	**184.58**
Total	**2,860.75**	**2,860.75**
Financial liabilities		
Trade and other payables	**74.43**	**74.43**
Related parties	**178.53**	**178.53**
Lease Liability	**286.43**	**286.43**
Other financial liabilities	**8.25**	**8.25**
Total	**547.64**	**547.64**

The carrying value of financial instruments by category as at December 31, 2020 is as follows:

(In millions of Mexican pesos)

	Amortized cost	Total carrying value
Financial assets		
Cash	1,395.64	1,395.64
Trade receivables		
Billed	242.91	242.91
Unbilled receivables	118.10	118.10
Related parties	709.98	709.98
Other financial assets	157.83	157.83
Total	2,624.46	2,624.46
Financial liabilities		
Trade and other payables	48.99	48.99
Related parties	188.94	188.94
Lease Liability	308.67	308.67
Other financial liabilities	25.47	25.47
Total	572.07	572.07

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade and other payables as at December 31, 2021 and December 31, 2020 approximate the fair value. Difference between carrying amounts and fair values of other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented.

h. 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.

i. Financial risk management

Tata Consultancy Services de México, S.A. de C.V. is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. Tata Consultancy Services de México, S.A. de C.V has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

j. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

k. Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar and Euro.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency the Company.

The following analysis has been worked out based on the net exposures for the Company as at the date of statement of financial position which could affect the statement of profit or loss and other income and equity.

The following table sets forth information relating to foreign currency exposure as at December 31, 2021 and December 31, 2020:

(In millions of Mexican pesos)

	2021										
2021	**USD**	**EUR**	**GBP**	**CAD**	**CHF**	**COP**	**ARS**	**BRL'**	**CLP**	**PEN**	**UYU**
Net financial assets	**1,996.70**	**18.25**	**7.11**	**18.99**	**(0.39)**	**4.62**	**2.50**	**3.03**	**0.08**	**1.76**	**-**
Net financial liabilitites	**232.21**	**2.25**	**0.31**	**0.31**	**0.38**	**-**	**-**	**-**	**-**	**-**	**-**

(In millions of Mexican pesos)

	2020										
2020	**USD**	**EUR**	**GBP**	**CAD**	**CHF**	**COP**	**ARS**	**BRL'**	**CLP**	**PEN**	**UYU**
Net financial assets	780.15	31.99	0.51	0.83	0.00	3.12	2.28	1.32	0.61	1.36	1.01
Net financial liabilitites	168.97	1.88	0.18	-	0.74	-	-	-	-	-	-

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services de México, S.A. de C.V would result in decrease / increase in the Company's profit before tax by approximately MXN 181.72 and MXN 65.14 for the year ended December 31, 2021 and December 31, 2020 respectively.

c) Interest rate risk

The Company's investments are primarily in fixed rate bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

d) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, cash and cash equivalents, bank deposits and other financial assets. Cash and cash equivalents include an amount of MXN 123.53 held with a Mexican bank having high quality credit rating as at 31st December' 2021. None of the other financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was MXN 2,939.02 and MXN 2,624.47 as of December 31, 2021 and December 31, 2020, respectively being the total of the carrying amount of cash and cash equivalents, trade receivables and unbilled receivables and other financial assets.

Trade receivables - Billed and Unbilled

The Company's exposure to credit risk with regards to trade receivables and unbilled receivables is influenced mainly by the individual characteristics of each customer in relation to the industry practices and business environment in which they operate. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 272 days for its customers after which they are in default (credit impaired). To manage this risk, the Company has a robust Credit Management process in place. The Company has adopted a policy of dealing only with creditworthy counterparties. The Company's exposure of the counterparties are continuously monitored and necessary changes to the credit terms are made. The carrying amounts of financial assets represent the maximum credit risk exposure.

Tata Consultancy Services de México, S.A. de C.V.'s exposure to customers is diversified and single customer which explains more than 10% of outstanding total trade receivable as at December 31, 2021 and 2020 are as follows:

(In millions of Mexican pesos)

	As on December 31, 2021		As on December 31, 2020	
	Total Trade receivables and Contract assets	Percentage	Total Trade receivables and Contract assets	Percentage
Customer A	**1,198.06**	**63.24**	291.54	28.72
Customer B	**214.16**	**11.30**	173.86	17.13

None of the other financial instruments of the Company result in material concentration of credit risk.

Geographic concentration of credit risk

Geographic concentration of trade receivables billed (net of allowances) and trade receivables unbilled is as follows:

(In millions of Mexican pesos)

	As at December 31, 20210 %	As at December 31, 2020 %
Americas	**98.90**	98.00

Geographical concentration of trade receivables billed and trade receivables unbilled is allocated based on the location of the customers.

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers. The expected credit loss allowance is based on the ageing of the days the receivables are due and are as follows:

(In millions of Mexican pesos)

As of December 31, 2021	Weighted average loss rate	Gross Carrying Amount*	Loss Allowance	Credit impaired
No Due	0.18%	354.14	(0.64)	No
1-90	0.96%	86.31	(0.83)	No
91-180	5.31%	0.01	(0.00)	No
181-272	38.03%	(0.00)	-	No
>272	100.00%	0.00	(0.00)	Yes

*Gross carrying amount excludes inter-company receivables.

iv. Liquidity risk

Liquidity risk refers to the risk that Tata Consultancy Services de México, S.A. de C.V cannot meet its financial obligations. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

Tata Consultancy Services de México, S.A. de C.V consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The table below provides details regarding the contractual maturities of significant financial liabilities:

(In millions of Mexican pesos)

As of December 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade and other payables	74.43	-	-	-	74.43
Related parties	178.53	-	-	-	178.53
Lease Liability	70.95	60.18	137.81	58.62	327.56
Other financial liabilities	8.25	-	-	-	8.25
Total	332.16	60.18	137.81	58.62	588.77

(In millions of Mexican pesos)

As of December 31, 2020	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade and other payables	48.99	-	-	-	48.99
Related parties	188.94	-	-	-	188.94
Lease Liability	74.70	61.60	138.77	93.98	369.05
Other financial liabilities	25.47	-	-	-	25.47
Total	338.10	61.60	138.77	93.98	632.45

i. Stockholders' equity

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
(a) Authorised		
Equity shares of MXN 1 each (2,614,406 shares)	**2.61**	2.61
	2.61	2.61
(b) Issued, Subscribed and Paid up		
Equity shares of MXN 1 each (2,614,406 shares)	**2.61**	
Total	**2.61**	2.61

A) Structure of share capital

As of December 31, 2021, share capital fully issued and paid is represented by 50,000 common shares (corresponding to the minimum fixed portion) with a par value of MXN 1 each. The fixed and variable portion is represented by 2,614,406 shares of MXN 1 each.

In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

The Company's objective for capital management is to maximize 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

(In millions of Mexican pesos)

Other Comprehensive income (OCI)	For the year ended December 31, 2021	For the year ended December 31, 2020
Remeasurement in Defined Benefit Obligation	**40.22**	(22.01)
Total Other Comprehensive Income/(loss)	**40.22**	(22.01)

B) Restriction in stockholders' capital

In accordance with the General Corporations Law, five percent of net income for the year must be appropriated to the statutory reserve, until it reaches one-fifth of share capital. As of December 31, 2021 and 2020, the same has been constituted at MXN 10,000.

Retained earnings and other Stockholder's contributions, on which no income tax has been paid, are subject to income taxes in the event of distribution, at the rate of 30%, payable by the Company; consequently, the stockholders may only receive 70% of such amounts.

Stockholder contributions may be refunded to the stockholders tax-free, to apply that exemption, such contributions must be equal or less of the balance of the Contributed Capital Account (CUCA for its Acronym in Spanish). As of December 31, 2021, and 2020, the CUCA amount is in process of being updated.

C) Dividend

At the General Ordinary Stockholders' Meeting held on June 15, 2021, a cash dividend payment of $63.00 US dollars was approved and paid on June 16, 2021. As a consequence of this dividend payment, 5% of withheld income tax was paid in the amount of $3.15 US dollars in accordance with local tax regulations for payment of dividends abroad.

At the General Ordinary Stockholders' Meeting held on November 18, 2020, a cash dividend payment of $9.00 US dollars was approved and paid on December 28, 2020. As a consequence of this dividend payment, 5% of withheld income tax was paid in the amount of $0.45 US dollars in accordance with local tax regulations for payment of dividends abroad.

Distribution of dividends or profits to the shareholders that come from the CUFIN, will not generate income tax to legal entities resident in the country, until the balance of said account is zero. Dividends paid to individuals and legal entities resident abroad, on profits generated from January 1, 2014 and onwards, are subject to a 10% tax, which has the character of final payment.

The dividends paid to TCS Iberoamérica, S.A. and TCS Solution Center, S.A., are taxed at a lower rate than that mentioned above, since it applied the benefits of the agreement between the United Mexican States and the Oriental Republic of Uruguay to avoid double taxation.

As of December 31, 2021, and 2020 the restated balance of the CUFIN account (Net taxable income account or CUFIN for its Acronym in Spanish), is $3,411.02 and $3,412.62 pesos, respectively.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets are 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and 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 Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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.

The Company has adopted IFRS 16, effective annual reporting period beginning January 1, 2020 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (January 1, 2019).

The details of the right- of – use asset held by the Company is as follows:

(In millions of Mexican pesos)

	Additions for the year ended December 31, 2021	Net carrying amount as at December 31, 2021
ROU Leasehold Building	**26.93**	**277.56**
ROU Leasehold Building - Security deposit	**0.87**	**2.49**
Total	**27.80**	**280.05**

(In millions of Mexican pesos)

	Additions for the year ended December 31, 2020	Net carrying amount as at December 31, 2020
ROU Leasehold Building	342.01	309.98
ROU Leasehold Building - Security deposit	3.02	2.69
Total	345.03	312.67

Depreciation on right – of – use asset is as follows:

(In millions of Mexican pesos)

	Year ended December 31, 2021	Year ended December 31, 2020
Depreciation - Leasehold Buildings	**68.55**	32.03
Depreciation - Leasehold Building - Security deposit	**0.58**	0.33
Total	**69.13**	32.36

Interest on lease liabilities is MXN 15.85 and MXN 10.59 for the years ended on December 31, 2021 and 2020, respectively.

The Company incurred MXN 2.89 and MXN 38.03 for the years ended December 31, 2021 and 2020, respectively, towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is MXN 80.83 and MXN 74.23 for the years ended December 31, 2021 and 2020, respectively, including cash outflow for short-term leases and leases of low-value assets.

The Company has applied the practical expedient available under IFRS 16 with respect to COVID -19 rent concessions and accordingly credited the lease concessions of MXN 0.80 and MXN 1.87 received for the years ended December 31, 2021 and 2020 to the profit or loss for the year.

Lease contracts entered by the company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The company does not have any lease restrictions and commitment towards variable rent as per the contract.

There are no property leases that contain extension options.

9. NON-FINANCIAL ASSETS AND LIABILITIES

a. Leasehold improvements, furniture and equipment

Improvements to leased buildings are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The furniture and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated on the amount susceptible to depreciation, corresponding to the cost of an asset, or another amount that replaces the cost.

Depreciation is recognised in the statement of comprehensive income using the straight-line method according to the estimated useful life of each component of an item of furniture and equipment, since this better reflects the usage pattern expected of the future economic benefits included in the asset. Leased assets are depreciated for the duration of the lease or the useful life of the assets, whichever is lower, unless there is reasonable certainty that the Company will acquire ownership of the leased assets at the end of the lease.

On January 1, 2020 MGDC S.C. sold computer equipment used by the Associates engaged in customer projects and business support activities to Tata Consultancy Services de México, S.A. de C.V. at a total amount of MXN 62.5 plus applicable VAT. MGDC S.C. has also sold the leasehold improvements, office equipment and furniture and Fixtures located in Facilities for which vendor agreements have transferred as described in note 12 to Tata Consultancy Services de México, S.A. de C.V. on December 1, 2020, at a total amount of MXN 319.4 plus applicable VAT.

MXN 103.15 is depreciated in the books on the date of capitalisation as there is no change in location, condition, and functional allocation of these assets to Company's operations. The value represents recommended margin based on arm´s length principle for the purpose of transfer pricing between the related parties.

The annual depreciation rates of the assets as follows:

	% average rate of depreciation
Improvements to leased buildings	5 – 10
Office furniture and equipment	20
Computers	25

Subsequent expenditures

Expenditures for repairs and modifications or improvements that prolong the useful life of the assets beyond the originally estimated, which allows the entity to obtain future economic benefits that can be measured reliably, are capitalised as fixed assets.

Impairment of Non-financial assets

i. Tangible assets

Leasehold improvements, furniture 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.

Leasehold improvements, furniture and equipment comprise the following:

(In millions of Mexican pesos)

	Lease Improve-mentss	Transpor-tation equipment	Computer equipment	Furniture and fixtures	Office Equipment	Electrical Installa-tions	Plant and Machinary	Total
Gross block as of January 1, 2021	103.89	0.68	162.18	35.67	76.22	52.16	17.80	448.60
Purchases	18.76	-	72.58	4.86	11.21	21.44	-	128.85
Disposals	-	-	-	-	-	-	-	-
Gross block as of December 31, 2021	122.65	0.68	234.76	40.53	87.42	73.59	17.80	577.45
Accumulated depreciation as of January 1, 2021	41.56	0.68	60.62	16.60	36.62	2.69	1.01	159.78
Disposals	-	-	-	-	-	-	-	-
Depreciation for the year	42.04	-	51.06	5.98	14.99	7.94	2.30	124.31
Accumulated depreciation as of December 31, 2021	83.60	0.68	111.68	22.58	51.62	10.63	3.30	284.09
Net carrying amount as of December 31, 2021	39.06	-	123.08	17.94	35.82	62.96	14.49	293.36
Capital work-in-progress	-	-	-	-	-	-	-	7.01
Total	39.06	-	123.08	17.94	35.82	62.96	14.49	300.37

MXN 128.85 has been capitalised and transferred to property, plant and equipment during the year ended December 31, 2021

(In millions of Mexican pesos)

	Lease Improve-mentss	Transpor-tation equipment	Computer equipment	Furniture and fixtures	Office Equipment	Electrical Installa-tions	Plant and Machinary	Total
Gross block as of January 1, 2020	-	0.68	5.17	1.29	-	-	-	7.14
Purchases	103.89	-	157.01	34.38	76.22	52.16	17.80	441.46
Disposals	-	-	-	-	-	-	-	-
Gross block as of December 31, 2020	103.89	0.68	162.18	35.67	76.22	52.16	17.80	448.60
Accumulated depreciation as of January 1, 2020	-	0.68	5.17	1.29	-	-	-	7.14
Disposals	-	-	-	-	-	-	-	-
Depreciation for the year	41.56	-	55.45	15.31	36.62	2.69	1.01	152.64
Accumulated depreciation as of December 31, 2020	41.56	0.68	60.62	16.60	36.62	2.69	1.01	159.78
Net carrying amount as of December 31, 2020	62.33	-	101.56	19.07	39.59	49.48	16.79	288.82
Capital work-in-progress	-	-	-	-	-	-	-	34.46
Total	62.33	-	101.56	19.07	39.59	49.48	16.79	323.28

MXN 441.46 has been capitalised and transferred to property, plant and equipment during the year ended December 31, 2020

ii.Intangible assets

i. Other intangible assets

Other intangible assets that are acquired by the Company and have defined useful lives are recorded at cost less accumulated amortisation.

ii. Amortisation

The amortisation is calculated on the cost of the asset or other amount that replaces cost, less the residual value.

The amortisation is recognised in the statement of income under the straight-line method based on the estimated useful life of the intangible assets, other than goodwill, from the date they are available for use, this reflects the expected usage pattern of the future economic benefits included in the asset. The estimated useful lives for the current and comparative periods are as shown follow:

- **Software for internal use** **3 years**

The amortisation methods, useful lives and residual values of intangible assets are reviewed at the end of each year and adjusted if necessary.

(In millions of Mexican pesos)

	Software
Gross block as of January 1, 2021	**2.05**
Purchases	**(0.00)**
Disposals	**-**
Gross block as of December 31, 2021	**2.05**
Accumulated amortisation as of January 1, 2021	**1.25**
Disposals	**-**
Amortisation for the year	**0.64**
Accumulated amortisation as of December 31, 2021	**1.89**
Net carrying amount as of December 31, 2021	**0.16**

(In millions of Mexican pesos)

	Software
Gross block as of January 1, 2020	0.90
Purchases	1.15
Disposals	-
Gross block as of December 31, 2020	2.05
Accumulated amortisation as of January 1, 2020	0.90
Disposals	-
Amortisation for the year	0.35
Accumulated amortisation as of December 31, 2020	1.25
Net carrying amount as of December 31, 2020	0.80

b. Other assets

Other assets consist of the following:

(In millions of Mexican pesos)

	As of December 31, 2021	As of December 31, 2020
Advance to suppliers	**0.01**	6.93
Value added tax recoverable	**380.50**	445.50
Contract fulfillment costs - Current*	**0.47**	1.59
Contract assets	**64.65**	17.81
Prepaid expense	**4.61**	3.80
Other current assets	**8.73**	-
Total	**458.97**	475.63

Other assets - Non current

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Prepaid expenses - Non Current	**0.51**	0.89
Contract assets	**13.77**	-
Contract fulfillment costs - Non current*	**-**	0.32
Total	**14.28**	1.21

(*) MXN 1.90 has been charged to the Profit and loss during CY 2021 from contract fulfillment cost.

c. Trade and other payables

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Trade and other payables	**74.41**	48.99
Total	**74.41**	48.99

d. Other current liabilities

Other liabilities consist of the following:

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Advance received from customers	**4.55**	2.47
Indirect tax payable and other statutory liabilities	**209.30**	156.52
Total	**213.85**	158.99

e. Unearned revenue

(In millions of Mexican pesos)

	As of December 31, 2021	As of December 31, 2020
Unearned and deferred revenue	**67.80**	27.45
Total	**67.80**	27.45

10. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

1. Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
2. Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
3. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.
4. 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 customization services rendered significantly modifies or customizes the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method .
5. Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
6. The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

   Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

   The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

   Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of license, 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 is excess of revenue 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 is billings in excess of revenues.

The billing to customers follow different schedules based upon the nature and type of goods and services being transferred. The billing schedules agreed with customers could 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

Revenue disaggregation by industry vertical is as follows:

(In millions of Mexican pesos)

Industry Vertical	For the year ended December 31, 2021	For the year ended December 31, 2020
Banking, Financial & Insurance	**4,088.09**	3,773.61
Retail and Consumer Products	**1,226.33**	1,161.26
Manufacturing	**426.85**	332.48
Consumer, Media and Technology	**731.44**	593.62
Others	**1,368.09**	810.85
Total	**7,840.80**	6,671.82

Revenue disaggregation by geography is as follows:

(In millions of Mexican pesos)

Geography	For the year ended December 31, 2021	For the year ended December 31, 2020
America	**7,394.45**	6,260.14
Europe	**201.77**	379.68
Others	**244.58**	32.00
Total	**7,840.80**	6,671.82

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While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has applied practical expedient of not disclosing the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is MXN 3,622.78 out of which 57.46 % is expected to be recognised as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Activity in contract assets is given as below:

(In millions of Mexican pesos)

	As of December 31, 2021	As of December 31, 2020
Opening balance as on January 1' 2021	**40.23**	60.50
+ Revenue recognized during the year	**66.82**	209.33
- Invoices raised during the year	**(28.80)**	(230.47)
+/- Translation	**0.16**	0.87
Closing balance as on December 31' 2021	**78.41**	40.23

Activity in contract liabilities is given as below:

(In millions of Mexican pesos)

	As of December 31, 2021	As of December 31, 2020
Opening balance as on January 1' 2021	**(82.14)**	(25.60)
(-) Revenue recognised that was included in the contract liability balance at the beginning of the period	**72.98**	24.67
+/ (-) Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	**(133.21)**	(78.45)
+/- Translation	**(2.07)**	(2.76)
Closing balance as on December 31' 2021	**(144.44)**	(82.14)

11. COST RECOGNITION

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

The costs of the Company are broadly categorised into employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses and other expenses.

Other operating expense

(In millions of Mexican pesos)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Fees to external consultants and others	**525.23**	913.04
Facility expense	**47.14**	21.36
Travel expense	**23.35**	12.55
Communication expense	**63.55**	34.80
Project Expense	**3.37**	2.62
Bad debts and advances written off, allowance for doubtful trade receivable and advances (net)	**0.52**	0.08
Expenses for administrative services	**0.10**	0.26
Other expenses	**179.94**	169.56
Total	**843.20**	1,154.27

Expense by function

(In millions of Mexican pesos)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Cost of revenue	**5,427.24**	4,465.86
Selling, general and administrative expenses	**943.64**	1,036.80
Total	**6,370.88**	5,502.66

12. EMPLOYEE BENEFITS

Retirement benefits costs from termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) 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.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be re-classified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss. Gains and losses for reduction of service are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans.

Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Employee benefit expense consists of the following:

(In millions of Mexican pesos

	For the year ended December 31, 2021	For the year ended December 31, 2020
Salaries, incentives and allowances	**4,412.00**	3,455.46
Contribution to provident and other funds	**830.84**	646.64
Staff welfare expenses	**89.89**	60.95
	5,332.73	4,163.05

Employee benefit obligations consists of the following:(In millions of Mexican pesos)

(In millions of Mexican pesos)

Employee benefit obligations	For the year ended December 31, 2021	For the year ended December 31, 2020
Defined benefit obligation	**157.92**	149.97
Employee statutory profit sharing	**194.30**	104.65
Liabilities for social securities contributions	**80.06**	57.33
Liability for long service leave	**157.47**	138.85
Bonus accrual	**6.04**	11.01
Total employee benefit obligations	**595.79**	461.81
Current	**437.87**	317.37
Non-current	**157.92**	144.44
	595.79	461.81

a. Defined contribution plans

The Company manages a plan that covers seniority premiums for all staff working in Mexico, which consists of a single payment of 12 days per year worked based on final salary, not to exceed twice the minimum wage established by law. The related liability and annual cost of benefits is calculated by an independent actuary using the method of projected unit credit.

The plans typically expose the Entity to actuarial risks as investment risk, Interest rate, longevity and salary.

Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as of December 31, 2021 and 2020 by Independents actuaries, who are members of the Institute of Actuaries of Mexico. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

(In millions of Mexican pesos)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Discount rates	**8.30%**	6.50%
Inflation long term rates	**4.64%**	4.64%
Salaries increase rates	**5.20%**	5.20%

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

(In millions of Mexican pesos

	For the year ended December 31, 2021	For the year ended December 31, 2020
Remeasurement in Defined Benefit Obligation	**40.22**	(22.01)
Total Other Comprehensive Income/(loss)	**40.22**	(22.01)

Activity in the present value of the defined benefit obligation was as follows:

(In millions of Mexican pesos)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Personnel Transferred	**106.33**	102.86
Current service cost	**68.54**	28.54
Financial cost	**9.77**	0.2
Benefits paid during the year	**(5.03)**	(3.64)
Actuarial obligation (income) / loss	**(17.05)**	22.01
Net liability arising from defined benefit obligation	**162.56**	149.97

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is .50 basis points higher (lower), the defined benefit obligation would decrease by MXN 162.56 (increase by MXN 149.97).

If the expected salary growth increases (decreases) by 0.50, the defined benefit obligation would increase by MXN 162.56 (decrease by MXN 149.97).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

13. OTHER INCOME

Finance income and cost, and other gains, (losses)

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance cost

Financial costs include interest expenses on loans. The loan costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in income using the effective interest method.

a. Finance and other income

(In millions of Mexican pesos)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest income on bank deposits	**1.98**	1.45
Sublease Rent - Misc Income	**1.16**	0.27
Interest revenue - Other Deposits	**0.52**	0.28
Interest income on loans	**0.42**	3.60
Total	**4.08**	5.60

b. Finance cost

(In millions of Mexican pesos)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Lease Interest	**15.85**	10.59
Others	**219.44**	3.96
Total	**235.29**	14.55

c. Other (losses)/ gains

(In millions of Mexican pesos)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Net foreign exchange gain/(loss)	**9.14**	(96.31)
Others	**4.18**	2.35
Total	**13.32**	(93.96)

14. INCOME TAXES (IT)

Income tax expense represents the sum of the tax currently payable and deferred tax.

1. **Current tax**

Current income tax ("ISR") is recognised in the results of the year in which is incurred.

2. **Deferred tax**

Deferred income taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred IT assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

A deferred tax loss carry forward asset, tax credits and deductible temporary differences are recognised to the extent that it is likely that taxable income may be available in the future against which they can be applied. The deferred assets are reviewed as of the reporting date and are reduced to the extent that the realisation of the corresponding tax benefit is no longer probable.

IT Law effective as of January 1, 2014 imposes an IT rate of 30% for 2014 and thereafter.

The income tax expense consists of the following:

(In millions of Mexican pesos)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Current income tax expense	**801.88**	332.35
Deferred income tax	**(144.02)**	(1.13)
Total	**657.86**	331.22

Income tax expense attributable to income before income taxes, differed from the amounts computed by applying the Mexican statutory rates of 30% IT to income before income taxes, as a result of the items shown below:

(In millions of Mexican pesos)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Income before income taxes	**1,252.89**	1,066.24
Income tax rate	**30%**	30%
Expected income tax expense	**375.87**	319.87
Temprary Difference Due to PPE	**-**	27.31
Tax pertaining to prior years [1]	**270.31**	-
Non Deductable	**125.39**	6.15
Inflation Adjustment	**(208.93)**	(25.49)
Non-deductible payroll	**92.42**	18.42
Other Non deductible	**2.80**	(15.04)
	657.86	331.22

[1] Direct review provision. As noted in footnote 13 c), the Company was subject to an audit from the Tax Administration Service ("SAT" or "Tax Authority"). As a result, during 2020 the Company carried out tax corrections by MXN 30, and recognizing an additional amount of MXN 2 on account of inflation adjustment.

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities, are presented below:

(In millions of Mexican pesos)

	As of December 31, 2021	As of December 31, 2020
Deferred income asset:		
Advance payments	**42.34**	284.25
Reserves and provisions	**275.68**	(82.43)
Equipment, net	**50.19**	10.09
IFRS 16	**3.56**	15.84
Total deferred tax assets	**371.77**	227.75

The movements of deferred tax assets (liabilities) for the year are as follows:

(In millions of Mexican pesos)

	As of December 31, 2021	As of December 31, 2020
Beginning balance	**227.75**	226.62
IT applied to income of the year	**144.02**	1.13
	371.77	227.75

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2021 are as follows:

(In millions of Mexican pesos)

	CURRENT YEAR				
	Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to					
Equipment, net	**10.09**	**40.10**	**-**	**-**	**50.19**
Advance payments	**284.25**	**(241.91)**	**-**	**-**	**42.34**
IFRS 16	**15.84**	**(12.28)**	**-**	**-**	**3.56**
Reserves and provisions	**(82.43)**	**358.11**	**-**	**-**	**275.68**
Total deferred tax asset / (liabilities)	**227.75**	**144.02**	**-**	**-**	**371.77**

(In millions of Mexican pesos)

As on December 31, 2021	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Equipment, net	**50.19**	**-**	**50.19**
Advance payments	**42.34**	**-**	**42.34**
IFRS 16	**3.56**	**-**	**3.56**
Reserves and provisions	**275.68**	**-**	**275.68**
Total deferred tax asset / (liabilities)	**371.77**	**-**	**371.77**

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2020 are as follows:

(In millions of Mexican pesos)

	PREVIOUS YEAR				
	Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to					
Equipment, net	0.06	10.03	-	-	10.09
Advance payments	224.03	60.22	-	-	284.25
IFRS 16	-	15.84	-	-	15.84
Reserves and provisions	2.53	(84.96)	-	-	(82.43)
Total deferred tax asset / (liabilities)	226.62	1.13	-	-	227.75

(In millions of Mexican pesos)

As on December 31, 2020	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Equipment, net	10.09	-	10.09
Advance payments	284.25	-	284.25
IFRS 16	15.84	-	15.84
Reserves and provisions	-	82.43	(82.43)
Total deferred tax asset / (liabilities)	310.18	82.43	227.75

3 Employee profit sharing (PTU)

For the year ended December 31, 2021 and 2020, the Company generated a tax base for employee profit sharing of MXN 170.83 and MXN 104.65 respectively.

Direct tax contingencies

a) In accordance with Mexican tax law, the tax authorities are empowered to examine transactions carried out during the five years prior to the most recent income tax return filed.

b) In accordance with the IT Law, companies carrying out transactions with related parties are subject to certain requirements as to the determination of prices, which should be similar to those that would be used in arm's-length transactions.

Should the tax authorities examine the transactions and reject the related-party prices, they could assess additional taxes plus the related inflation adjustment and interest, in addition to penalties of up to 100% of the omitted taxes.

c) **Tax Contingencies Note in TMCV Financials of FYE 2020 (pertaining to FYE 2013)**

On September 11, 2019, the company has received a notification from the Tax Authority determining a tax debit for the amount of MXN 838.09 for income tax and value added tax, update surcharge and fines, corresponding to fiscal year 2013, as well as an alleged omission in the provisional income tax payment for certain months corresponding to fiscal years 2014 and 2015.

In the opinion of the internal and external lawyers of the Company approximately a part of this tax debit is unduly determined by the tax authority, among other reasons, because the authority is including the omitted amounts payment of MXN 120 made by the Company on September 2, 2019 correcting its tax situation. Such amount was determined on the conclusive agreement between the Company and the Mexican Tax Authorities signed before the Taxpayer Defense Office (PRODECON). In consequence, on September 2, 2019, the Company submitted the complementary tax filings with the corresponding corrections. The Company has also submitted similar complimentary tax filling for the period Jan-Feb 2014, correcting the fiscal situation amounting to MXN 9.6.

On October 24, 2019, an appeal for revocation was filled against said resolution before the Central Administration of the Contentious of Large Taxpayers of the Tax Administration Service.

On December 5, 2019, the Company presented the information requested in the SAT notification.

Currently, the appeal for revocation is under study by the officials of the Central Administration of the Contentious of Large Taxpayers of the Tax Administration Service. In case of obtaining an unfavorable resolution, the Company will file an annulment petition before the Federal Court of Administrative Justice, against the decision of the tax credit.

As a result of management's evaluation, the Company decided to recognise a provision of MXN 232.2 during 2019, pertaining to income tax from the observations from the Tax Authority. For the remaining matter of observation from the Tax Authority, the Company has evaluated that the ultimate outcome of the matter cannot be determined presently and, accordingly, no provision for any effects on the Company that may result has been made in the financial statements. During 2020 and 2021, the Company has not made any additional provision related to this matter.

On September 11, 2019, the company has received a notification from the Tax Authority determining a tax debit for the amount of MXN 838.09 for income tax and value added tax, update surcharge and fines, corresponding to fiscal year 2013, as well as an alleged omission in the provisional income tax payment for certain months corresponding to fiscal years 2014 and 2015.

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Currently, the appeal for revocation is under study by the officials of the Central Administration of the Contentious of Large Taxpayers of the Tax Administration Service. In case of obtaining an unfavorable resolution, the Company will file an annulment petition before the Federal Court of Administrative Justice, against the decision of the tax credit.

As a result of management's evaluation, the Company decided to recognise a provision of MXN 232.2 during 2019, pertaining to income tax from the observations from the Tax Authority. For the remaining matter of observation from the Tax Authority, the Company has evaluated that the ultimate outcome of the matter cannot be determined presently and, accordingly, no provision for any effects on the Company that may result has been made in the financial statements. During 2020 and 2021, the Company has not made any additional provision related to this matter.

d. Tax Contingencias Note for FYE 2014 / 2015

During 2021 the company has received notifications from the Tax Authority determining a tax debit for income tax, update and surcharge corresponding to fiscal years of 2014 and 2015, and for VAT and related update and surcharge corresponding to fiscal year 2015.

As a result of management's evaluation, the Company decided to create a total provision of MXN 483.6 and to recognize a contingent liability of MXN 408.3 during 2021, pertaining to tax demands from the observations from the Tax Authority. For the remaining matters of observation from the Tax Authority, the Company has evaluated that the ultimate outcome of the matter cannot be determined presently and, accordingly, no provision for any effects on the Company that may result has been made in the financial statements.

Details of notifications are included in the chart below:

(In millions of Mexican pesos)

Notification for Fiscal Year	Date of Notification Received	Amount of income tax, related update and surcharge (MXN Mn.)	Amount of VAT, related update and surcharge (MXN Mn.)	Amount considered for provisions (MXN Mn.)	Amount recognized as Contingent Liability (MXN Mn.)
2014	26-apr-21	1,565.6	-	212.5	125.6
2015	17-sep-21	2,001.3	2,012.7	271.1	282.7

Currently, the company is in the process of submitting complementary tax filings with appropriate authorities.

15. BUSINESS AND CREDIT CONCENTRATION

For the years ended at December 31, 2021 and 2020, consultancy services rendered to related parties represented 74% and 72%, respectively of the Company's total consultancy service revenue.

For the years ended at December 31, 2021 and 2020, purchase of services from a related party represented 7% and 18%, respectively of the Company's total operating expenses.

16. CONTINGENCIES AND COMMITMENTS

Liabilities for loss contingencies are recorded when it is probable that a liability has been incurred and the amount thereof can be reasonably estimated. When a reasonable estimation cannot be made, disclosure is provided in the notes to the financial statements. Contingent revenues, earnings or assets are not recognised until realisation is assured.

1 The Company has entered into service agreements with related parties, under which these companies provide technical assistance services necessary for the Company's operations. These agreements are for a period ending on December 2021. Total payments under these agreements, reported under administrative expenses, were MXN 571.16 in 2021 and MXN 976.38 in 2020.

2 The Company is involved in a number of lawsuits and claims arising in the normal course of business. It is expected that the final outcome of these matters will not have significant adverse effects on the Company's financial position and income (loss).

3 Claims aggregating MXN 10.53 and MXN 11.02 as at December 31, 2021 and 2020 respectively against the Company, have not been acknowledged as debts.

4 The Company has contractually committed (net of advances) MXN 9.46 as at December 31, 2021 and MXN 26.08 as at December 31, 2020 for purchase of equipment.

17. RELATED PARTY DISCLOSURE

The Company does not have business operations with members of management and close relatives outside operations at arm's length and available to the general public and for non-significant amounts.

(In millions of Mexican pesos)

	For the year ended December 31, 2021				
	With Tata Sons Limited, ultimate parent company	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Revenue from operations	**-**	**-**	**5,493.58**	**320.79**	**5,814.37**
Interest income	**-**	**-**	**-**	**0.42**	**0.42**
Other income	**-**	**-**	**-**	**3.80**	**3.80**
Purchase of services and cost recovery	**-**	**2.04**	**363.95**	**207.22**	**573.21**
Brand equity contribution	**5.07**	**-**	**-**	**-**	**5.07**
Dividend paid	**-**	**-**	**-**	**1,256.30**	**1,256.30**

(In millions of Mexican pesos)

	For the year ended December 31, 2020				
	With Tata Sons Limited, ultimate parent company	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Revenue from operations	-	-	4,576.99	253.43	4,830.42
Interest income	-	-	-	3.60	3.60
Other income	-	-	-	2.92	2.92
Purchase of services and cost recovery	-	5.71	451.51	524.87	982.09
Brand equity contribution	4.61	-	-	-	4.61
Dividend paid	-	-	-	182.15	182.15
Purchase of Fixed Asset	-	-	-	381.90	381.90

(In millions of Mexican pesos)

	For the year ended December 31, 2021				
	With Tata Sons Limited, ultimate parent company	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Trade receivables - Billed and Unbilled and Other Receivables (1)	**-**	**-**	**1,188.86**	**109.51**	**1,298.37**
Loans given (2)	**-**	**-**	**-**	**-**	**-**
Other Receivables	**-**	**-**	**8.54**	**22.58**	**31.11**
Total	**-**	**-**	**1,197.40**	**132.09**	**1,329.48**

(In millions of Mexican pesos)

	For the year ended December 31, 2020				
	With Tata Sons Limited, ultimate parent company	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Trade receivables - Billed and Unbilled and Other Receivables (1)	-	-	465.53	211.04	676.57
Loans given (2)	-	-	-	55.76	55.76
Other Receivables	-	-	1.81	1.99	3.80
Total	-	-	467.34	268.79	736.13

1) The balances receivable come from consultancy and administrative services rendered to the related parties and will be liquidated within the commercial terms agreed by the Company.

Balances payable to related parties

(In millions of Mexican pesos)

	As on December 31, 2021				
	With Tata Sons Limited, ultimate parent company	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Trade and other payables (1)	**3.86**	**0.17**	**214.46**	**36.69**	**255.18**
Total	**3.86**	**0.17**	**214.46**	**36.69**	**255.18**

(In millions of Mexican pesos)

	As on December 31, 2020				
	With Tata Sons Limited, ultimate parent company	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Trade and other payables (1)	3.54	-	144.19	95.90	243.63
Total	3.54	-	144.19	95.90	243.63

1) The balances payable come from consultancy and administrative services received from the related parties and will be liquidated within the commercial terms agreed by the Company

18. SUBSEQUENT EVENTS

Between January 1, 2022 and the date when financial statements were authorised for issue, there are no additional subsequent events that could affect the Company's financial position and/or profit or loss or which require disclosure in the notes to the financial statements.

MGDC S.C.

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

For the year ended
December 31, 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE STOCKHOLDERS OF
MGDC S. C.

Opinion

We have audited the accompanying financial statements of MGDC, S.C., (the "Company"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in the partner's equity and cash flows, for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of MGDC, S.C., as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended, in conformity with International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report, and the related "Exhibit". We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Mexico in accordance with the Instituto Mexicano de Contadores Públicos A.C.'s Code of Professional Ethics (IMCP Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA and IMCP Codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $193 million of pesos during the year ended December 31, 2021 as of that date due to onetime events related to provisions for tax contingencies, a lawsuit lost and others. The Company's current liabilities exceeded its total assets by $60.57 million of pesos. As stated in Note 1, the significance of these events has been evaluated by Management, who concluded that are unlikely to repeat in the foreseeable future. Partners have stated their intention to financially support the Company through capital contributions. Our opinion is not modified in respect of this matter.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, or otherwise, making the appropriate disclosures.

Management is responsible for overseeing the Company´s financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of MGDC, S.C.V. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Additional description of our responsibilities regarding the audit of the financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SALLES, SAINZ – GRANT THORNTON, S. C.

Mexico City, Mexico
February 21, 2022

C.P.C. Guillermo Segura Herrera

Statement of Financial Position

(In millions of Mexican pesos)

	Note	As of December 31, 2021	As of December 31, 2020
ASSETS			
Current assets			
Cash	7a	**9.11**	261.71
Related parties	7b	**6.03**	60.40
Other current financial assets	7c	**6.78**	6.31
Other current assets	9c	**121.17**	63.56
Total current assets		**143.09**	391.98
Non-current assets			
Other non-current financial assets	7c	**0.75**	17.63
Income tax assets (net)		**15.68**	-
Deferred tax assets	13	**37.86**	12.63
Leasehold improvements, furniture and equipment	9a	**8.51**	14.15
Right-of-use assets	8	**2.14**	4.09
Intangible assets	9b	**0.01**	-
Other non-current assets	9c	**-**	0.12
Total non-current assets		**64.95**	48.62
TOTAL ASSETS		**208.04**	440.60
LIABILITIES AND PARTNERS' EQUITY			
Liabilities:			
Current liabilities:			
Trade and other payables	9d	**48.33**	211.25
Lease liabilities	8	**2.28**	2.03
Other current financial liabilities		**0.70**	3.66
Employee benefit obligations-Current	14	**12.44**	10.52
Income tax liabilities (net)	13	**168.04**	63.58
Other current liabilities	9e	**36.82**	12.75
Total current liabilities		**268.61**	303.79
Non-current liabilities:			
Lease liabilities	8	**-**	2.21
Employee benefit obligation-Non Current	14	**4.41**	7.08
Total non-current liabilities		**4.41**	9.29
TOTAL LIABILITIES		**273.02**	313.08
Partners' equity:			
Partners' capital		**0.05**	0.05
Other components of capital	7g	**(20.31)**	(20.82)
Retained earnings		**(44.72)**	148.29
Total equity		**(64.98)**	127.52
TOTAL LIABILITIES AND EQUITY		**208.04**	440.60

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

(In millions of Mexican pesos)

	Note	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenues			
Consultancy services		**119.32**	416.33
Operating expenses:			
Employee benefit expense	14	**104.49**	151.94
Operation and other expense	11	**68.85**	107.12
Depreciation and amortization expense	8, 9(a), 9(b)	**7.29**	113.68
TOTAL OPERATING EXPENSES		**180.63**	372.74
OPERATING (LOSS) / PROFIT		**(61.31)**	43.59
Other income / (expense):			
Finance and other income	12 (a)	**2.67**	37.16
Other gains, (net)	12 (c)	**5.78**	131.20
Finance costs	12 (b)	**(83.25)**	(19.67)
OTHER (EXPENSE) / INCOME, NET		**(74.80)**	148.69
PROFIT / (LOSS) BEFORE INCOME TAXES		**(136.11)**	192.28
Income tax expense	13	**56.90**	94.36
PROFIT / (LOSS) FOR THE YEAR		**(193.01)**	97.92
OTHER COMPREHENSIVE INCOME / (LOSS):			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligations	14 (c)	**0.51**	(7.18)
Total other comprehensive income / (losses) , net of taxes		**0.51**	(7.18)
TOTAL COMPREHENSIVE INCOME / (LOSS)		**(192.50)**	90.74

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Changes in Partners' Equity

(In millions of Mexican pesos)

	Partner's capital	Retained earnings	Other components of equity	Total partners' equity
Balance as of January 01, 2020	0.05	541.11	(13.64)	527.52
Net income for the year	-	97.92	-	97.92
Other comprehensive income/(loss)	-	-	(7.18)	(7.18)
Total comprehensive income for the year	-	97.92	(7.18)	90.74
Dividend distribution	-	(490.74)	-	(490.74)
Balance as of December 31, 2020	0.05	148.29	(20.82)	127.52
Net loss for the year	-	(193.01)	-	(193.01)
Other comprehensive income/(loss)	-	-	0.51	0 .51
Total comprehensive income for the year	-	(193.01)	0.51	(192.50)
Balance as of December 31, 2021	**0.05**	**(44.72)**	**(20.31)**	**(64.98)**

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Statement of Cash Flows

(In millions of Mexican pesos)

	For the year ended December 31, 2021	For the year ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	**(193.01)**	97.92
Adjustment to reconcile profit or loss to net cash provided by operating activities:		
Depreciation and amortisation expense	**7.29**	113.68
Net gain on disposal of property, plant and equipment	**(0.11)**	(121.64)
Current tax expense	**82.12**	124.75
Deferred income tax	**(25.23)**	(30.39)
Lease rent concession received	**-**	(0.15)
Gain on lease modification	**-**	(31.24)
Unrealised foreign exchange gain	**(2.46)**	32.29
Net change in:		
Related parties	**54.39**	567.35
Other financial assets (current and non-current)	**16.42**	13.01
Other assets (current and non-current)	**(57.50)**	(41.95)
Trade and other payables	**(162.92)**	93.45
Other liabilities and other financial liabilities (current)	**21.11**	118.19)
Employee benefit obligations	**(0.23)**	246.17)
Cash (used in) / generated from operations	**(260.13)**	452.72
Taxes paid	**6.65**	(16.98)
Net cash flows (used in) / generated by operating activities	**(253.48)**	435.74
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of leasehold improvements, furniture and equipment and intangible assets	**(0.43)**	(50.81)
Proceeds from disposal of property, plant and equipment	**0.96**	381.92
Net cash used in investing activities	**0.53**	331.11
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	**(2.10)**	(24.29)
Dividends paid	**-**	(490.74)
Net cash used in financing activities	**(2.10)**	(515.03)
Net (decrease) / increase in cash and cash equivalents	**(255.06)**	251.82
Cash and cash equivalents, beginning of the year	**261.71**	31.12
Exchange difference on translation of foreign currency cash and cash equivalents	**2.46**	(21.23)
Cash and cash equivalents, end of the year	**9.11**	261.71

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Notes forming part of the Financial Statements

1. REPORTING ENTITY

MGDC S.C. (the "Company") is a subsidiary of TCS Uruguay S.A. and TATA Consultancy Services Argentina S.A. Its main activity is to provide administrative services mainly to its related parties. It was incorporated as a Civil Society in accordance with Mexican law, on March 16, 2007, with a duration of 99 years, its main business center is located at Camino el ITESO No. 8699, Colonia El Mante, C.P. 45609 in the municipality of Tlaquepaque, Guadalajara, Jalisco.

As of January 1, 2020, Tata Consultancy Services De Mexico S.A., De C.V. and MGDC S.C. entered into a labor substitution with the intention of consolidating his market position and prepare for future growth. As a result of this labor substitution, employees, fixed assets and lease contracts were transferred from MGDC S.C. to Tata Consultancy Services De Mexico S.A., De C.V.

Authorization

On February 21, 2022 Mr. Claudio Yukio Yoshida (Finance Director) and Rajeev Gupta (Country Head) authorized the issuance of the accompanying financial statements and related notes thereto.

In accordance with the General Corporations Law and the bylaws of MGDC S.C., the partners' are empowered to modify the financial statements after issuance. The accompanying financial statements will be submitted to the next Partners' Meeting for approval.

The Company incurred a net loss of $193 million of pesos during the year ended December 31, 2021 and accumulated deficit of $64.98 million as of that date, due to onetime events related to provisions for tax contingencies, a lawsuit lost and others. The Company's current liabilities exceeded its total assets by $60.57 million.

The Management has evaluated the significance of these events, the financial and operational aspects that may impact the future performance of the company as well as the nature and condition of the business. The Management concluded that these events are unlikely to repeat in the foreseeable future. Considering that there have not been any changes to the Company's market, strategy and operations, it is reasonable to expect that it will continue generating profits in the coming years.

The main Partner of the company, TCS Uruguay S.A , has indicated its intention to provide sufficient financial support to MGDC S.C. in order to allow the Company to comply with its liabilities and commitments. The support will be materialized through integration of funds, which will be infused as irrevocable capital contributions.

2. STATEMENT OF COMPLIANCE

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB).

3. BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period and employee benefit obligation – non-current, which is discounted to its present value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Functional and reporting currency

The aforementioned financial statements are presented in Mexican pesos (reporting currency), which is the same as the local currency and the functional currency.

To determine the functional currency, management assesses the economic environment in which it primarily generates and disburses cash. For this, factors related to sales, costs, sources of financing and cash flows generated by the operation are considered.

As of December 31, 2021 and 2020, the peso/dollar exchange rates were $20.42 and $19.91, respectively. Unless otherwise indicated, all financial information presented in pesos has been rounded to the nearest millions. When referring to "US" or dollars, it refers to amounts expressed in millions of dollars of the United States of America or U.S.D, when referring to "EUR" means millions of Euro, "CAD" means millions Canadian dollar, "BRL" means millions of Brazilian real, "UYU" means millions of Uruguayan Peso, and "COP" means millions of Colombian peso.

Foreign currency

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of execution or settlement. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in force at the statement of financial position date. Exchange differences arising from assets and liabilities denominated in foreign currencies are reported on the statement of comprehensive income.

Prepayments

Mainly include prepayments for the purchase of services that are received after the date of the statement of financial position and in the ordinary course of operations.

Presentation of statement of cash flows

The statements of cash flows of the Company are presented using the indirect method.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of these financial statements in conformity with the recognition and measurement principles of IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

The key source of estimation uncertainty at the date of the financial statements, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are useful lives of leasehold improvements, furniture and equipment, valuation of deferred tax assets, provisions and contingent liabilities and leases has been discussed below. Key source of estimation of uncertainty in respect of revenue recognition, employee benefits and fair value measurement of financial instruments have been discussed in their respective policies.

(a) Useful lives of leasehold improvements, furniture and equipment

The Company reviews the carrying amount of leasehold improvement, furniture and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(b) 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.

(c) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note number 13.

(d) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at the end of each reporting period adjusted to reflect the current best estimates. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(e) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

(f) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(g) Impact of COVID-19

Company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and nonfinancial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on leases etc.

5. NATURE AND PURPOSE OF RESERVES

Statement of comprehensive income presentation

The Company opted for reporting comprehensive income in a single statement that includes all the items that comprise net income or loss and other comprehensive income (OCI), entitled "Statement of Comprehensive Income". Additionally, the "Operating (loss) profit" line item is included, which results from subtracting the cost of sales and expenses from total revenues, as this line item is considered to provide a better understanding of the Company's economic and financial performance.

Given that the Company is a service entity, ordinary costs and expenses are presented based on their nature, as the information so reported is clearer.

Partners' equity

Partner contributions are classified in partners' equity.

6. RECENT ACCOUNTING STANDARDS

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

Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use[1]
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract[1]
Amendments to IFRS 3	Business Combinations - Reference to Conceptual Framework[1]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[1]
Amendments to IAS 1	Classification of Liabilities[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]

[1]Effective for annual periods beginning on or after January 1, 2022.

[2]Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 – Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

MGDC S.C. considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life-time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

a. Cash

Cash consist of the following:

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Current account balances with banks	**9.11**	261.71
Total	**9.11**	261.71

As of December 31, 2021 and 2020 there is no restricted cash.

The Company discloses in Note 7 (f) the sensitivity analysis for financial assets and liabilities.

b. Related parties

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Trade receivables	**6.03**	60.40
Total	**6.03**	60.40

Trade receivables include balances with related parties (Refer note 17).

c. Other financial assets

Other financial assets consist of the following:

a) Other financial assets-current

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Employee loans and advances	**6.62**	6.25
Other Deposits	**0.16**	0.06
Total	**6.78**	6.31

b) Other financial assets-non-current

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Deposits for premises	**0.36**	3.37
Other Deposits	**0.39**	14.27
Total	**0.75**	17.64

d. Financial instruments by category

The fair values of the following financial assets and financial liabilities as at December 31, 2021 and December 31, 2020 approximate the carrying amounts due to short term maturities of these instruments:

(In millions of Mexican pesos)

	As of December 31, 2021		As of December 31, 2020	
	Amortised cost	Total carrying value	Amortised cost	Total carrying value
Financial assets:				
Cash	**9.11**	**9.11**	261.71	261.71
Trade receivables	**6.03**	**6.03**	60.40	60.40
Other financial assets	**7.53**	**7.53**	23.94	23.94
Total	**22.67**	**22.67**	346.05	346.05
Financial liabilities:				
Trade and other payables	**48.33**	**48.33**	211.25	211.25
Lease liabilities	**2.28**	**2.28**	4.24	4.24
Other financial liabilities	**0.70**	**0.70**	3.66	3.66
Total	**51.31**	**51.31**	219.15	219.15

Carrying amounts of cash, trade receivables and trade payables as at December 31, 2021 and 2020 approximate the fair value. Difference between carrying amounts and fair values of other financial assets, other financial liabilities subsequently measured at amortized cost is not significant in each of the years presented.

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e. **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.

f. **Financial risk management**

MGDC S.C. is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The company has a risk management policy which covers risks associated with the financial assets and liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss, other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the entity.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency the Company.

(In millions of Mexican pesos)

	2021		
	USD	EUR	CAD
Net financial assets	**3.53**	**0.02**	**-**
Net financial liabilitites	**0.17**	**-**	**-**

(In millions of Mexican pesos)

	2020		
	USD	EUR	CAD
Net financial assets	153.80	0.04	0.15
Net financial liabilitites	4.70	-	-

10% appreciation / depreciation of the respective foreign currencies with respect to functional currency of MGDC, S. C. would result in decrease / increase in the Company's profit before tax by approximately MXN 3.38 for the year ended December 31, 2021 and MXN 149.3 for the year ended December 31, 2020 respectively.

Interest rate risk

The Company is not exposed to interest rate risk

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was MXN 22.66 and MXN 346.06 as of December 31, 2021 and December 31, 2020, respectively being the total of the carrying amount of cash and cash equivalents, trade receivables and other financial assets. Cash and cash equivalents are held with bank with high credit ratings. As at December 31, 2021, there were no indications that any defaults will occur on trade receivables or other financial assets.

MGDC S.C's total revenue is inter-company and hence there is no credit risk.

Liquidity risk

Liquidity risk refers to the risk that MGDC S.C. cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

MGDC S.C. consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due. MGDC S.C. does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The table below provides details regarding the contractual maturities of significant financial liabilities:

(In millions of Mexican pesos)

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
December 31, 2021					
Non-derivative financial liabilities:					
Trade and other payables	**48.31**	**-**	**-**	**-**	**48.31**
Lease liabilities	**2.36**	**-**	**-**	**-**	**2.36**
Other financial liabilities	**0.70**	**-**	**-**	**-**	**0.70**
Total	**51.37**	**-**	**-**	**-**	**51.37**
December 31, 2020					
Non-derivative financial liabilities					
Trade and other payables	211.25	-	-	-	211.25
Lease liabilities	2.29	2.29	-	-	4.58
Other financial liabilities	3.66	-	-	-	3.66
Total	217.20	2.29	-	-	219.49

Other risk

Financial assets of MXN 9.11 as at December 31,2021 carried at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. Trade receivables of MXN 6.03 as at December 31,2021 forms a significant part of the financial assets carried at amortised cost which is valued at cost as the receivables are entirely intercompany receivables..

g. Partners' capital

a) Structure of partners' capital

As of December 31, 2021, partners' capital fully issued and paid is represented by 50,000 partner contributions (corresponding to the minimum fixed portion) with a par value of $1 each one. The variable portion is unlimited.

b) Other Comprehensive income (OCI)

At December 31, 2021 and 2020 OCI are comprised as follows:

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Opening balance	**(20.82)**	(13.64)
Remeasurement of defined benefit obligations	**0.51**	(7.18)
Closing balance	**(20.31)**	(20.82)

c) Restriction in Partners' capital

In accordance with the General Corporations Law, five percent of net income for the year must be appropriated to the statutory reserve, until it reaches one-fifth of share capital. As of December 31, 2021 has not been constituted.

Retained earnings and other partner's contributions, on which no income tax has been paid, are subject to income taxes in the event of distribution, at the rate of 30%, payable by the Company; consequently, the stockholders may only receive 70% of such amounts.

Partners contributions may be refunded to the stockholders tax-free, to apply that exemption, such contributions must be equal or less of the balance of the Contributed Capital Account (CUCA for its Acronym in Spanish). As of December 31, 2021 and 2020, the balance of the Restated Contributed Capital Account (CUCA, for its acronym in Spanish) amounted to $.093 and $.086 pesos, respectively.

The Company's objective for capital management is to maximize 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.

d) Dividend

At the General Ordinary Stockholders' Meeting held on July 13, 2020, a cash dividend payment of $11.00 dollars was approved and paid on July 13, 2020. As a consequence of this dividend payment, 5% of withheld income tax was paid in the amount of $0.55 US dollars in accordance with local tax regulations for payment of dividends abroad.

.At the General Ordinary Stockholders' Meeting held on November 18, 2020, a cash dividend payment of $12.00 dollars was approved and paid on December 28, 2020. As a consequence of this dividend payment, 5% of withheld income tax was paid in the amount of $0.60 US dollars in accordance with local tax regulations for payment of dividends abroad.

Distribution of dividends or profits to the shareholders that come from the CUFIN, will not generate income tax to legal entities resident in the country, until the said account has exhausted balance. Dividends paid to individuals and legal entities resident abroad, on profits generated from January 1, 2014 and onwards, are

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subject to a 10% tax, which has the character of final payment.

As of December 31, 2021, and 2020 the restated balance of the CUFIN account (Net taxable income account or CUFIN for its Acronym in Spanish), is $632.28 and $581.91 pesos, respectively.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognizes 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 assets 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 assets 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 recognized in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognizes 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 Company recognizes any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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 recognized as an expense on a straight-line basis over the lease term.

Liabilities for financial leases

Lease Liabilities	Currency	Nominal Interest rate	Lease Start date	Lease end date	Years	Nominal value	Book value
Inmobiliaria Graciela Sc	MXN	8.08%	1-Jan-20	31-Dec-22	3	2.36	2.28

The details of the right- of – use asset held by the Company is as follows:

(In millions of Mexican pesos)

	Additions for the year ended December 31, 2021	Net carrying amount as at December 31, 2021
Building	**0.14**	**2.11**
Building - Security deposit	**0.01**	**0.03**
Total	**0.15**	**2.14**

(In millions of Mexican pesos)

	Additions for the year ended December 31, 2020	Net carrying amount as at December 31, 2020
Building	6.12	4.08
Building - Security deposit	-	0.01
Total	6.12	4.09

Depreciation on right – of – use asset is as follows:

(In millions of Mexican pesos)

	year ended December 31, 2021	year ended December 31, 2020
Building	**2.11**	29.31
Building - Security deposit	**0.09**	0.30
Total	**2.20**	29.61

Interest on lease liabilities is MXN 0.26 and MXN 12.91 for the year ended on December 31, 2021 and December 31, 2020. The Company incurred MXN Nil and MXN 2.01 for the year ended December 31, 2021 and December 31, 2020 respectively towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow on leases recognized in the statements of cash flows is MXN 2.26 and MXN 39.21 for December 31, 2021 and December 31, 2020 respectively.

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

There are no property leases that contain extension options.

9. NON-FINANCIAL ASSETS AND LIABILITIES

a. Leasehold improvements, furniture and equipment

Improvements to leased buildings are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The furniture and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated on the amount susceptible to depreciation, corresponding to the cost of an asset, or another amount that replaces the cost.

Depreciation is recognized in the statement of comprehensive income using the straight-line method according to the estimated useful life of each component of an item of furniture and equipment, since this better reflects the usage pattern expected of the future economic benefits included in the asset. Leased assets are depreciated for the duration of the lease or the useful life of the assets, whichever is lower, unless there is reasonable certainty that the Company will acquire ownership of the leased assets at the end of the lease.

On January 1, 2020 MGDC S.C. sold computer equipment used by the Associates engaged in customer projects and business support activities to Tata Consultancy Services De Mexico S.A., De C.V. at a total amount of MXN 62.5 million plus applicable VAT. MGDC S.C. has also sold the leasehold improvements, office equipment and furniture and Fixtures located in Facilities for which vendor agreements have transferred as described in note no. 14 to Tata Consultancy Services De Mexico S.A., De C.V. on December 1, 2020, at a total amount of MXN 319.4 million plus applicable VAT.

The annual depreciation rates of the assets as follows:

	% average rate of depreciation
Improvements to leased buildings	5 – 10
Office furniture and equipment	20
Computers	25

Minor repairs and maintenance costs are expensed as incurred.

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.

Subsequent expenditures

Expenditures for repairs and modifications or improvements that prolong the useful life of the assets beyond the originally estimated, which allows the entity to obtain future economic benefits that can be measured reliably, are capitalized as fixed assets.

Impairment of Non-financial assets

Tangible and intangible assets

Leasehold improvements, furniture and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

Leasehold improvements, furniture and equipment comprise the following:

(In millions of Mexican pesos)

	Leasehold improvements	Computer equipments	Furniture and office equipment	Total
Gross block as at January 1, 2021	**52.65**	**36.70**	**59.88**	**149.23**
Purchases	**-**	**-**	**1.37**	**1.37**
Gross block as at December 31, 2021	**52.65**	**36.70**	**61.25**	**150.60**
Accumulated depreciation as at January 1, 2021	**45.79**	**36.15**	**55.05**	**136.99**
Depreciation for the year	**3.51**	**0.29**	**1.30**	**5.10**
Accumulated depreciation as at December 31, 2021	**49.30**	**36.44**	**56.35**	**142.09**
Net carrying amount as at December 31, 2021	**3.35**	**0.26**	**4.90**	**8.51**
Capital work-in-progress				**-**
Total				**8.51**

*MXN 0.95 has been capitalised and transferred to property, plant and equipment for period ended December 31, 2021.

(In millions of Mexican pesos)

	Leasehold improvements	Computer equipments	Furniture and office equipment	Total
Gross block as at January 1, 2020	219.46	271.05	357.03	847.54
Purchases	24.43	18.88	55.99	99.30
Disposals	(191.24)	(253.23)	(353.14)	(797.61)
Gross block as at December 31, 2020	52.65	36.70	59.88	149.23
Accumulated depreciation as at December 31, 2020	131.31	197.48	262.91	591.70
Depreciation for the year	40.40	15.97	27.11	83.48
Disposals	(125.92)	(177.30)	(234.97)	(538.19)
Accumulated depreciation as at December 31, 2020	45.79	36.15	55.05	136.99
Net carrying amount as at December 31, 2020	6.86	0.55	4.83	12.24
Capital work-in-progress				1.91
Total				14.15

*MXN 99.30 has been capitalised and transferred to property, plant and equipment during the year ended December 31, 2020.

Capital work in progress mainly include investments in equipment for the normal operation of MGDC employees, there is no investment in delivery centers.

b. **Intangible assets**

i. **Other intangible assets**

Other intangible assets that are acquired by the Company and have defined useful lives are recorded at cost less accumulated amortisation.

ii. **Amortization**

The amortisation is calculated on the cost of the asset or other amount that replaces cost, less the residual value.

The amortisation is recognised in the statement of comprehensive income under the straight-line method based on the estimated useful life of the intangible assets, other than goodwill, from the date they are available for use, this reflects the expected usage pattern of the future economic benefits included in the asset. The estimated useful lives for the current and comparative periods are as shown follow:

Software for internal use	**3 years**

The amortisation methods, useful lives and residual values of intangible assets are reviewed at the end of each year and adjusted if necessary.

(In millions of Mexican pesos)

	Software licenses	Total
Cost as at January 1, 2021	**3.10**	**3.10**
Addition during the year	**0.01**	**0.01**
Deletion during the year	**-**	**-**
Gross block as at December 31, 2021	**3.11**	**3.11**
Accumulated amortisation as at January 1, 2021	**3.10**	**3.10**
Amortisation for the year	**-**	**-**
Deletion during the year	**-**	**-**
Accumulated amortisation as at December 31, 2021	**3.10**	**3.10**
Net carrying amount as at December 31, 2021	**0.01**	**0.01**

(In millions of Mexican pesos)

	Software licenses	Total
Cost as at January 1, 2020	5.68	5.68
Addition during the year	-	-
Deletion during the year	(2.58)	(2.58)
Gross block as at December 31, 2020	3.10	3.10
Accumulated amortisation as at January 1, 2020	4.23	4.23
Amortisation for the year	0.59	0.59
Deletion during the year	(1.72)	(1.72)
Accumulated amortisation as at December 31, 2020	3.10	3.10
Net carrying amount as at December 31, 2020	-	-

c. Other assets

Other assets are comprised as follows:

Other assets - current

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Advance to suppliers	**22.45**	3.25
Prepaid expenses	**2.73**	3.05
Tax Credit Entitlements	**95.04**	56.44
Other advances, Gross	**0.95**	0.82
Total	**121.17**	63.56

Other assets-non current

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Prepaid expenses	**-**	0.12
Total	**-**	0.12

d. Trade and other payables

Trade and other payable consist of the following:

(In millions of Mexican pesos)

	As of December 31, 2021	As at December 31, 2020
Trade payable	**10.47**	186.90
Accrued expenses	**22.24**	10.63
Other	**15.62**	13.72
Total	**48.33**	211.25

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e. Other liabilities

Other liabilities consist of the following:

(In millions of Mexican pesos)

Other liabilities-current	As of December 31, 2021	As at December 31, 2020
Advance received from customers	**20.40**	-
Indirect tax payable and other statutory liabilities	**16.42**	12.75
Total	**36.82**	12.75

10. REVENUE RECOGNITION

The Company earns revenue by providing staffing solutions in the form of manpower services to its customer (being a related party), relating to various fields of operations of the customer.

The Company has a single performance obligation to provide manpower services to its customer. Revenue is recognised upon transfer of services to the customer in an amount that reflects the consideration which the Company expects to receive in exchange for those services based on the expected cost-plus margin approach, in accordance with the terms of the underlying arrangement. Billings are made in accordance with the terms of the contract with the related party, which is generally on a monthly basis.

The Company has applied practical expedient to recognise revenue for services in proportion to the amount it has right to invoice the customer in accordance with the terms of the arrangement.

Revenue excludes taxes collected from customers.

All the revenue is derived from the customer in Ibero America.

11. COST RECOGNITION

Costs and expenses are recognized when incurred and have been classified according to their nature in the following categories:

The costs of the Company are broadly categorized into employee benefit expense, depreciation and amortization and operation and other expense. Employee benefit expenses include employee compensation, allowances, contribution to various funds and staff welfare expenses. Operation and other expense mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses and other expenses.

(In millions of Mexican pesos)

	Year ended December 31, 2021	Year ended December 31, 2020
Fees to external consultants and others	**10.77**	20.90
Facility expenses	**5.03**	43.44
Other expenses	**53.05**	42.78
Total	**68.85**	107.12

Expense by function

(In millions of Mexican pesos)

	Year ended December 31, 2021	Year ended December 31, 2020
Cost of revenue	**8.28**	76.89
Selling, general and administrative expenses	**172.35**	295.85
Total	**180.63**	372.74

12. FINANCIAL INCOME, COST AND OTHER GAINS (NET)

a. Finance and other income

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(In millions of Mexican pesos)

	Year ended December 31, 2021	Year ended December 31, 2020
Interest income on bank deposits	**0.01**	0.18
Rental revenue	**2.63**	36.66
Others	**0.03**	0.32
Total	**2.67**	37.16

b. Finance costs

Financial costs include interest expenses on loans. The loan costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in income using the effective interest method.

(In millions of Mexican pesos)

	Year ended December 31, 2021	Year ended December 31, 2020
Interest on lease liabilities	**0.26**	12.91
Other interest costs	**82.99**	6.76
Total	**83.25**	19.67

c. Other gains, (net)

(In millions of Mexican pesos)

	Year ended December 31, 2021	Year ended December 31, 2020
Net gain/(loss) on disposal of property, plant and eqiupment	**0.11**	121.64
Net foreign exchange gain/(loss)	**2.58**	(22.06)
Others	**3.09**	31.62
Total	**5.78**	131.20

13. INCOME TAXES (IT) AND EMPLOYEE STATUTORY PROFIT SHARING (ESPS)

Income tax expense represents the sum of the tax currently payable and deferred tax.

1. Current tax

Current income tax ("ISR") and employee statutory profit sharing (ESPS) are recognised in the results of the year in which is incurred.

2. Deferred tax

Deferred tax are recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

A deferred tax loss carry forward asset, tax credits and deductible temporary differences are recognized to the extent that it is likely that taxable income may be available in the future against which they can be applied. The deferred tax assets are reviewed as of the reporting date and are reduced to the extent that the realization of the corresponding tax benefit is no longer probable.

IT Law effective as of January 1, 2014 imposes an IT rate of 30% for 2014 and thereafter.

The income tax expense consists of the following:

(In millions of Mexican pesos)

	Year ended December 31, 2021	Year ended December 31, 2020
Current income tax	**82.13**	124.75
Deferred income tax	**(25.23)**	(30.39)
Total	**56.90**	94.36

Income tax expense attributable to income before income taxes, differed from the amounts computed by applying the Mexican statutory rates of 30% IT to income before income taxes, as a result of the items shown below:

(In millions of Mexican pesos)

	Year ended December 31, 2021	Year ended December 31, 2020
Income before income taxes	**(136.11)**	192.28
Statutory rate	**30%**	30%
Income tax	**(40.83)**	57.68
Tax pertaining to prior years and other	**56.32**	8.70
No deductibles	**45.54**	14.22
Inflation effects	**(4.13)**	13.76
	56.90	94.36

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2021 are as follows:

(In millions of Mexican pesos)

2021	Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to					
Leasehold improvements, furniture and equipment and intangible assets	12.25	(14.21)	-	-	(1.96)
Receivables, financial assets at amortized	(18.07)	111.45	-	-	93.38
Transition impact of IFRS 16	0.10	(1.69)	-	-	(1.59)
Others	18.35	(70.32)	-	-	(51.97)
Total deferred tax asset / (liabilities)	12.63	25.23	-	-	37.86

(In millions of Mexican pesos)

	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Leasehold improvements, furniture and equipment and intangible assets	-	1.96	(1.96)
Receivables, financial assets at amortized	93.38	-	93.38
Transition impact of IFRS 16	-	1.59	(1.59)
Others	-	51.97	(51.97)
Total deferred tax asset / (liabilities)	93.38	55.52	37.86

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2020 are as follows:

(In millions of Mexican pesos)

2020	Opening balance	Recognised in profit or loss	Recognised in / reclassified from other comprehensive income	Exchange difference	Closing balance
Deferred tax assets / (liabilities) in relation to					
Leasehold improvements, furniture and equipment and intangible assets	61.98	(49.73)	-	-	12.25
Receivables, financial assets at amortized cost	(174.17)	156.10	-	-	(18.07)
Transition impact of IFRS 16	6.46	(6.36)	-	-	0.10
Others	87.98	(69.63)	-	-	18.35
Total deferred tax asset / (liabilities)	(17.75)	30.38	-	-	12.63

(In millions of Mexican pesos)

As at December 31, 2020	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to			
Leasehold improvements, furniture and equipment and intangible assets	12.25	-	12.25
Receivables, financial assets at amortized cost	-	18.07	(18.07)
Transition impact of IFRS 16	0.10	-	0.10
Others	18.35	-	18.35
Total deferred tax asset / (liabilities)	30.70	18.07	12.63

Employee profit sharing (PTU)

For the year ended December 31, 2021 and 2020, the Company generated a tax base for employee profit sharing of MXN 4.57 and MXN 5.09 respectively.

Direct tax contingencies

a) In accordance with Mexican tax law, the tax authorities are empowered to examine transactions carried out during the five years prior to the most recent income tax return filed.

b) In accordance with the IT Law, companies carrying out transactions with related parties are subject to certain requirements as to the determination of prices, which should be similar to those that would be used in arm's-length transactions.

   Should the tax authorities examine the transactions and reject the related-party prices, they could assess additional taxes plus the related inflation adjustment and interest, in addition to penalties of up to 100% of the omitted taxes.

c) There are no tax related contingencies in FYE 2021.

14. EMPLOYEE BENEFITS

Retirement benefits costs from termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss. Gains and losses for reduction of service are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans.

Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Employee benefit expense consists of the following:

(In millions of Mexican pesos)

	Year ended December 31, 2021	Year ended December 31, 2020
Salaries, incentives and allowances	**78.52**	69.03
Social security contributions and payroll rated taxes	**32.03**	78.88
Staff welfare expenses	**(6.06)**	4.03
	104.49	151.94

Employee benefit obligations consists of the following:

(In millions of Mexican pesos)

	As of December 31, 2021	As of December 31, 2020
Employee benefit obligations		
Defined benefit obligation	**4.41**	7.08
Employee statutory profit sharing	**7.33**	7.42
Liabilities for social securities contributions	**(2.02)**	(0.66)
Liability for long service leave	**6.31**	3.61
Bonus accrual	**0.82**	0.15
Total employee benefit obligations	**16.85**	17.60
Current	**12.44**	10.52
Non-current	**4.41**	7.08
	16.85	17.60

a. Defined contribution plans

The Company manages a plan that covers seniority premiums for all staff working in Mexico, which consists of a single payment of 12 days per year worked based on final salary, not to exceed twice the minimum wage established by law. The related liability and annual cost of benefits is calculated by an independent actuary using the method of projected unit credit.

The plans typically expose the Entity to actuarial risks as investment risk, Interest rate, longevity and salary.

Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as of December 31, 2021 and 2020 by Independents actuaries, who are members of the Institute of Actuaries of Mexico. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	As of December 31, 2021	As of December 31, 2020
Discount rates	**8.30%**	6.50%
Inflation long term rates	**4.64%**	4.64%
Salaries increase rates	**5.20%**	5.20%

b. Amtounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

(In millions of Mexican pesos)

	Year ended December 31, 2021	Year ended December 31, 2020
Service cost	**1.26**	0.48
Personnel transfer	**(3.48)**	(103.06)
Financial cost	**0.45**	0.15
Net cost for the year	**(1.77)**	(102.43)

c. The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

(In millions of Mexican pesos)

	As of December 31, 2021	As of December 31, 2020
Net liability arising from defined benefit obligation	**4.41**	7.08

Movements in the present value of the defined benefit obligation were as follows:

(In millions of Mexican pesos)

	As of December 31, 2021	As of December 31, 2020
Opening defined benefit obligation	**7.08**	102.37
Current service cost	**0.91**	0.48
Personnel transferred	**(3.48)**	(103.06)
Financial cost	**0.45**	0.15
Benefits paid during the year	**(0.04)**	(0.04)
Actuarial obligation (income) / loss	**(0.51)**	7.18
Net liability arising from defined benefit obligation	**4.41**	7.08

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is .50 basis points higher (lower), the defined benefit obligation would decrease by $4.41 (increase by $7.08). If the expected salary growth increases (decreases) by 0.50, the defined benefit obligation would increase by $4.41 (decrease by $7.08).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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15. BUSINESS AND CREDIT CONCENTRATION

As of December 31, 2021 and 2020, the 100% of revenue provided for the consultancy services were provided to related parties.

16. CONTINGENCIES AND COMMITMENTS

Liabilities for loss contingencies are recorded when it is probable that a liability has been incurred and the amount thereof can be reasonably estimated. When a reasonable estimation cannot be made, disclosure is provided in the notes to the financial statements. Contingent revenues, earnings or assets are not recognised until realization is assured.

a) The Company has entered into service agreements with related parties, under which the Company provides con sultancy services and IT support services necessary for these companies operations. Total revenues under these agreements, reported under consultancy services, were MXN 119.32 in 2021 and MXN 416.31 in 2020.

b) As at December 31, 2021, claims aggregating to MXN 4.57 against the Company have not been acknowledged as debts.

c) The Company is involved in a number of lawsuits and claims arising in the normal course of business. It is expected that the final outcome of these matters will not have significant adverse effects on the Company's financial position and income (loss).

d) The Company has contractually committed (net of advances) Nil as at December 31, 2021 and MXN 0.76 as at December 31, 2020 for purchase of leasehold improvements, furniture and equipment.

17. RELATED PARTY DISCLOSURE

a. Operations with management and close family

The Company does not have business operations with members of management and close relatives outside operations at arm's length and available to the general public and for non-significant amounts.

b. Transactions with related parties-

(In millions of Mexican pesos)

	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Year ended December 31, 2021				
Consultancy services	**-**	**-**	**119.32**	**119.32**
Other income	**-**	**-**	**2.63**	**2.63**
Purchases of services and cost recovery	**-**	**(2.15)**	**(3.59)**	**(5.74)**
	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	**With Tata Consultancy Services Limited**	**With subsidiaries of Tata Consultancy Services Limited**	**Total**
Year ended December 31, 2020				
Consultancy services	-	0.02	416.31	416.33
Other income	-	-	36.66	36.66
Purchases of services and cost recovery	0.86	(3.66)	1.78	(1.02)
Dividend paid	-	-	490.74	490.74
Sale of Fixed Assets	-	-	381.90	381.90

Balances receivable from related parties –

(In millions of Mexican pesos)

	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
Year ended December 31, 2021				
Trade and other receivables	**-**	**1.38**	**8.37**	**9.75**
As of December 31, 2020				
Trade and other receivables	-	3.18	57.22	60.40

Balances payable to related parties-

(In millions of Mexican pesos)

	With subsidiaries and associates of Tata Sons Limited, ultimate parent company	With Tata Consultancy Services Limited	With subsidiaries of Tata Consultancy Services Limited	Total
As of December 31, 2021				
Trade and other payables	**-**	**1.70**	**24.26**	**25.96**
As of December 31, 2020				
Trade and other payables	-	0.99	173.84	174.83

The balances payable come from consultancy and administrative services received from the related parties and will be liquidated within the commercial terms agreed by the Company.

18. SUBSEQUENT EVENTS

Between January 1, 2022 and the date when financial statements were authorized for issue, there are no additional subsequent events that could affect the Company's financial position and/or profit or loss or which require disclosure in the notes to the financial statements.

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TCS INVERSIONES CHILE LIMITADA

SEPARATE FINANCIAL STATEMENTS

For the year ended

December 31, 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

THE PARTNER OF
TCS INVERSIONES CHILE LIMITADA

We have audited the accompanying separate financial statements of TCS Inversiones Chile Limitada which comprise the separate statement of financial position as of December 31, 2021 the related separated statements of comprehensive income, changes in equity, and cash flows for the year then ended, and the related notes to the separate financial statements.

Management's Responsibility for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the International Financial Reporting Standards. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Chile generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the financial position of TCS Inversiones Chile Limitada as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Emphasis of matter

The accompanying separate financial statements have been prepared to reflect the individual financial position of Tata Consultancy Services Inversiones LTDA before consolidating, on a line-by-line basis, with the financial statements of its subsidiaries. Accordingly, for proper interpretation purposes, these separate financial statements need to be read and analyzed along with the consolidated financial statements of Tata Consultancy Services Limited.

Other Matters

The separate financial statements for the year ended December 31, 2020 of Tata Consultancy Services Inversiones LTDA were audited by other auditors, whose report, dated February 24, 2021, expressed an unqualified opinion on those statements.

The above translation of the auditors' report is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been done solely for the convenience of non-Spanish readers..

Santiago, Chile

Luis Velásquez Molina

February 21, 2022

Partner – Grant Thornton Chile

Separate Statements of Financial Position

(ThCh$)

	Note	As at December 31, 2021	As at December 31, 2020
ASSETS			
Current assets:			
Cash and cash equivalents	4.A	**284,797**	312,184
Trade and other receivables, current	4.C	**983,686**	888,451
Other current financial assets	4.D	**979**	12
Current tax assets		**113,215**	62,431
Total Current assets		**1,382,677**	1,263,078
Non-current assets:			
Investments	4.B	**32,126,571**	32,126,571
Furniture and equipment, net	6.A	**6,061**	7,556
Deferred tax assets	7.C	**207,397**	184,664
Total non-current assets		**32,340,029**	32,318,791
TOTAL ASSETS		**33,722,706**	33,581,869
LIABILITIES AND EQUITY			
Current liabilities:			
Trade and other payables	4.E	**48,441**	36,208
Employee benefit obligation - Current	8.A	**328,519**	230,272
Other current financial liabilities	8.A & 5.A	**456,251**	456,954
Other current liabilities	4.E	**66,822**	67,062
Total current liabilities		**900,033**	790,496
Non-current liabilities:			
Payables due to related entities, non-current	4.F	**127,768**	284,697
Total non-current liabilities		**127,768**	284,697
Equity:			
Share Capital	4.G	**15,290,305**	15,290,305
Retained earnings		**17,404,600**	17,216,371
Total equity		**32,694,905**	32,506,676
TOTAL LIABILITIES AND EQUITY		**33,722,706**	33,581,869

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

Separate Statements of Comprehensive Income, per Nature of the Expense

(ThCh$)

	Note	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue		**3,499,241**	3,511,135
TOTAL REVENUE	9	**3,499,241**	3,511,135
Expenses:			
Employee benefits		**3,079,247**	2,989,875
Other operating expenses	10	**180,088**	189,116
Depreciation and amortization expenses	6 A	**2,827**	2,232
TOTAL EXPENSES	11	**3,262,162**	3,181,223
Total operating profit (loss)		**237,079**	329,912
Other income / (expenses)			
Finance costs		**(12,301)**	(31,203)
Dividends received from subsidiaries	12	**8,705,708**	-
Foreign currency translation, difference	13	**16,230**	11,177
Investment revenue		**1,482**	1,945
TOTAL OTHER INCOME, NET		**8,711,119**	(18,081)
PROFIT BEFORE TAX		**8,948,198**	311,831
Income tax expense	7 A	**(55,688)**	(77,255)
PROFIT FROM CONTINUING OPERATIONS AFTER TAX		**8,892,510**	234,576
Other comprehensive income (loss)			
Net gain		**8,892,510**	234,576
TOTAL COMPREHENSIVE INCOME		**8,892,510**	234,576

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

Separate Statements of Changes in Equity

(ThCh$)

	Note	Paid-in capital	Retained earnings	Total equity
Opening balance as of January 1, 2021		**15,290,305**	**17,216,371**	**32,506,676**
Comprehensive income:				
Profit for the year		**-**	**8,892,510**	**8,892,510**
Other comprehensive income		**-**	**-**	**-**
Total comprehensive income		**-**	**8,892,510**	**8,892,510**
Dividends		**-**	**(8,704,280)**	**(8,704,280)**
Total profit distribution		**-**	**(8,704,280)**	**(8,704,280)**
Total changes in equity		**-**	**188,230**	**188,230**
Closing balance as of December 31, 2021		**15,290,305**	**17,404,601**	**32,694,906**
Opening balance as of January 1, 2020		15,290,305	16,981,795	32,272,100
Comprehensive income:				
Profit for the year		-	234,576	234,576
Other comprehensive income		-	-	-
Total comprehensive income		-	234,576	234,576
Dividends		-	-	-
Total profit distribution		-	-	-
Total changes in equity		-	234,576	234,576
Closing balance as of December 31, 2020		15,290,305	17,216,371	32,506,676

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

Separate Statements of Cash Flows

(ThCh$)

	For the year ended December 31, 2021	For the year ended December 31, 2020
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES:		
Profit for the year:	**8,892,510**	234,576
Adjustments to reconcile profit for the year:		
Effect of foreign currency translation differences	**-**	968
Depreciation and amortization	**2,827**	2,232
Income tax	**55,688**	77,255
Total cash flows before changes in working capital	**58,515**	80,455
Increase/(decrease) in working capital:		
Trade and other receivables	**(95,235)**	437,537
Other financial assets	**(967)**	7,963
Trade payables	**12,233**	(26,176)
Other current non-financial liabilities	**(943)**	(401,470)
Employee benefits	**98,247**	110,376
Payables due to related parties, non-current	**-**	(29,944)
Total net increase in working capital	**13,335**	98,286
Income taxes paid	**(129,205)**	(230,605)
Payment of interests	**-**	-
Net cash from operating activities	**8,835,155**	182,712
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES:		
Acquisition of furniture and equipment	**(1,333)**	(3,521)
Net cash used in investing activities	**(1,333)**	(3,521)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES:		
Loans received from related companies	**(156,929)**	(222,782)
Dividends paid	**(8,704,280)**	-
Increase in capital	**-**	-
Net cash used in financing activities	**(8,861,209)**	(222,782)
Net increase/(decrease) in cash and cash equivalents	**(27,387)**	(43,591)
Cash and cash equivalents at January 1	**312,184**	355,775
Effects of movements in exchange rate on cash held	**-**	-
Cash and cash equivalents at December 31	**284,797**	312,184

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

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Notes to the Separate Financial Statements

1. GENERAL INFORMATION

TCS Inversiones Chile Limitada was incorporated by TCS IberoAmérica S.A. and Gabriel Rozman on December 16, 2002, and is engaged in investments, on its own or on behalf of third parties, in any type of movable and immovable property, tangible or intangible assets, purchase and sale, export, import, manufacturing, production, consignment, lease, trading, representation and distribution of any type of physical and intangible assets; rendering of all types of advisory and consultancy services, and services associated with computer, IT and general communication; and the representation, concession and operation of the franchise of any type of companies, brands and/or products associated with the above-mentioned operations.

On October 26, 2005, the articles of incorporation were amended via public deed, increasing the Company's capital through an amount contributed by the partner TCS IberoAmérica S.A..

On December 28, 2006, Tatasolution Center S.A. (a subsidiary of Tata Consultancy Services Chile S.A.), was incorporated in Ecuador and commenced its operations on June 1, 2007. It is mainly engaged in providing IT services, software development and maintenance, and administrative and operating processes (BPO) primarily to financial institutions.

On December 29, 2006, Tata Consultancy Services BPO Chile S.A. (formerly - Tata Consultancy Services (TCS) Chile Limitada) acquired 100% of shares of its subsidiary Tata Consultancy Services BPO Chile S.A. (formerly - Comicrom S.A.). Consequently, such subsidiary was dissolved by operation of law.

At Extraordinary Shareholders' Meeting held on July 30, 2010, the shareholders agreed on the merger through incorporation of Tata Consultancy Services BPO Chile S.A. to Tata Consultancy Services Chile S.A., and accordingly, at such meeting the company's name was changed from Tata Consultancy Services BPO Chile S.A. to Tata Consultancy Services Chile S.A.

On April 26, 2017, Mr. Gabriel Rozman sells, assigns and transfers to TCS Uruguay S.A. the entirety of his ownership interest in the Company, which represents 0.000004% of the Company's capital.

In Chile, it established its operations in 2003, and currently has 9 employees who perform support and advisory functions in the areas of finance, legal, marketing, and sales for the subsidiaries in the Latin American region.

T2. BASIS OF PRESENTATION OF THE SEPARATE FINANCIAL STATEMENTS

(A) Use of estimates and judgments

The preparation of these separete financial statements in conformity with the recognition and measurement principles under IFRS, requires that Management performs estimates and judgments which have an impact on the reported balances of assets and liabilities, the disclosures of contingent liabilities at the reporting date, and the balance of income and expenses for the reporting periods.

The underlying estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimate is revised and any future periods affected.

The key source for estimating the uncertainty as of the date of the financial statements, which may cause a significant adjustment in the book value of assets and liabilities within the subsequent financial year, is with respect to the impairment of goodwill, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and has been discussed below. The main key sources of estimation uncertainty related to revenue recognition, employee benefits, and fair value measurement of financial instruments, have been assessed based on the applicable policies.

Useful lives of items of furniture and equipment.

The Company reviews the carrying amount of items of furniture and equipment at the end of each reporting period. This reassessment may result in changes to the depreciation expense for future periods.

Measurement of deferred tax assets.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Contingent liabilities are not recognized in the financial statements. Contingent assets are not recognized or disclosed in the financial statements.

Fair value measurement of financial instruments.

When the Company is not able to measure the fair value of financial assets and financial liabilities in the statement of financial position based on quoted prices in active markets, the fair value is measured using valuation techniques which include the discounted cash flow model. Inputs to these models are obtained from observable markets where possible, otherwise a degree of judgment is required to establish fair values. The judgments include considering inputs such as liquidity risk, credit risk and volatility. Changes in the assumptions with respect to these factors could affect the reported fair value of financial instruments. The policy has been explained in further detail in Note 4 (h).

(B) Statement of compliance

These separate financial statements of TCS Inversiones Chile Limitada (hereinafter the "Company"), for the year ended December 31, 2021, are presented in Chilean pesos and have been prepared in accordance with IAS 27, "Separate Financial Statements" included in International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (hereinafter the "IASB"), applying the exception described in paragraph 4 of IFRS 10, Consolidated Financial Statements. Likewise, these financial statements are exempt from disclosure provisions contained in IFRS 12.

The information contained in these separate financial statements is the responsibility of the Company's Management which expressly states it has applied all the principles and criteria included in IAS 27 and IFRS; the separate financial statements have been approved by the Board of Directors on February 21, 2022.

The translation of these financial statements is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been made solely for the convenience of non-Spanish readers.

(C) Comparative information

The separate statements of financial position at 31 December 2021 and the separate statements of comprehensive income, changes in equity and cash flows for the year then ended have been prepared in accordance with International Financial Reporting Standards, on a basis consistent with the criteria used at 31 December 2020.

(D) Historical cost basis

The separate financial statements have been prepared on the historical cost basis. Generally, the historical cost is based on the fair value of the consideration paid in exchange for goods and services. The fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants on the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. For purposes of measurement and/or disclosure in these separate financial statements, fair value is determined as described above, except for the determination of value in use under IAS 36, which has been measured at market value.

(E) Period covered

These separate financial statements of TCS Inversiones Chile Limitada were prepared as of December 31, 2021 and 2020 and for the years then ended.

(F) Currency

The functional currency of TCS Inversiones Chile Ltda. is the Chilean peso.

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

(G) Basis of translation

Balances of assets and liabilities in UF (inflation-adjusted units), U.S. dollars and other foreign currencies have been translated to Chilean pesos at the exchange rates in force at the closing date of the separate financial statements. At the reporting date, the effective exchange rates are detailed as follows:

(ThCh$)

	As at December 31, 2021	As at December 31, 2020
U.S. dollar	**844.69**	710.95
Inflation-adjusted unit (UF)	**30,991.74**	29,070.33

Foreign currency translation differences and adjustments are debited or credited to profit or loss, as applicable, in accordance with IFRS.

(H) Classification of balances (current and non-current)

In the accompanying statement of financial position, balances are classified according to their maturities, i.e. as current those with maturities of 12 months or less and non-current those with maturities exceeding 12 months.

(I) Statement of cash flows

For the preparation of the statement of cash flows, the Company uses the following definitions:

Cash and cash equivalents relates to cash on hand, cash in bank current accounts, time deposit and highly-liquid fixed income mutual fund deposits held in financial entities with original maturities of up to three months and insignificant risk of loss of value.

The statement of cash flows considers the following account categories:

(a) Operating activities

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

(b) Investing activities

Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

(c) Financing activities

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The entity has consistently applied the following accounting policies to all periods presented in these separate financial statements.

The accounting policies set out below have been used in the preparation of these separate financial statements. As required by IFRS 1, these policies have been defined considering the IFRS effective as of December 31, 2021.

(A) Provisions and contingent liabilities

A provision is a liability of uncertain timing or amount. Provisions are recognized in the balance sheet when the following requirements are met in a copulative manner:

- The Company has a present legal or constructive obligation as a result of a past event.
- It is probable that at the reporting date an outflow of economic benefits will be required to settle the obligation.
- The obligation can be estimated reliably.

A contingent asset or liability is an obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(B) Offsetting of balances and transactions

Generally, in the separate financial statements there is no offsetting of assets or liabilities or revenue and expenses, except for those cases where offsetting is required or permitted by any standard and such presentation is the reflection of the substance of the transaction.

Revenues and expenses generated by transactions which contractually or mandatorily because of the enactment of a law include the possibility of offsetting, are those for which the Company intends either to settle the obligations on a net basis, or to realize the asset and settle the liability simultaneously.

(C) Classification of balances (current and non-current)

In the accompanying statement of financial position, balances are classified according to their maturities, i.e. as current those with maturities of 12 months or less and non-current those with maturities exceeding 12 months.

(D) New accounting pronouncements

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 16	Property, plant and equipment: Proceeds before intended use (1)
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract (1)
Amendments to IFRS 3	Business Combinations - Reference to Conceptual Framework (1)
Annual Improvements to IFRS Standards 2018 -2020	IFRS 9 and IFRS 16
Amendments to IAS 1	Classification of Liabilities (2)
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies (2)
Amendments to IAS 8	Definition of Accounting Estimates (2)
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (2)

(1) Effective for annual periods beginning on or after January 1, 2022.

(2) Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 – Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Group does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Group does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Group does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group will evaluate the impact, if any, in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2019-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual

Improvements to IFRS Standards - 2019-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Group does not expect the amendment to have any significant impact in its financial statements.

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES, AND EQUITY INSTRUMENTS

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or reduce the fair value of financial assets or financial liabilities in the initial recognition.

Financial assets

Cash and cash equivalents

The Company classifies as cash and cash equivalents all highly-liquid financial instruments, which are readily convertible into known amounts of cash subject to an insignificant risk of changes in value, with maturities of three months or less from the date of acquisition. Cash and cash equivalents comprise cash in banks not restricted for withdrawal and use.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if those financial assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income.

Financial assets are measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has adopted the irrevocable option of presenting the subsequent changes in the fair values of capital investments not held for trading in other comprehensive income.

Financial assets at fair value through profit and loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or assumption of financial liabilities at fair value through profit or loss are immediately recognized in the interim condensed statement of profit or loss.

Financial liabilities

Other financial liabilities are measured at amortized cost using the effective interest method.

Equity securities

Equity securities are contracts which establish a residual interest on the Company's assets after deducting all its liabilities. Equity securities issued by the Company are recognized at the amount of the income received net of direct cost of issue.

Impairment of financial assets (not measured at fair value)

At each reporting date, the Company assesses whether a financial asset or group of financial assets is impaired. IFRS 9 requires that expected credit losses are measured through a loss allowance. The Company recognizes lifetime expected credit losses for all its contract assets and/or trade receivables that do not contain a significant financing component. To determine the allowance for doubtful accounts, the Company has used a practical expedient for the calculation of the allowance for expected credit losses of trade receivables using an allowance matrix. The allowance matrix considers the historical credit loss experience and is adjusted for prospective information. The allowance for expected credit losses is based on the maturity of accounts receivable past due and the rates used in the allowance matrix. For the remaining financial assets, expected credit losses are measured at an amount equal to 12-month expected credit losses or an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

(A) Cash and cash equivalents

As of December 31, 2021 and 2020, this caption is composed of the following:

(ThCh$)

	As at December 31, 2021	As at December 31, 2020
Cash in banks	**114,439**	93,496
Deposits -Foreign banks	**170,358**	218,688
Total	**284,797**	312,184

As of December 31, 2021 and 2020, cash in banks is as follows:

(ThCh$)

Bank	**Type of currency**	As at December 31, 2021	As at December 31, 2020
Banco Santander	Chilean pesos	**42,907**	50,444
Banco Santander	U.S. dollar	**71,532**	43,051
Total		**114,439**	93,496

Cash and cash equivalents have no availability restrictions.

The Company has made no investing or financing transactions that do not require the use of cash and cash equivalents.

(B) Investments

Investments in subsidiaries held at cost

For the preparation of the separate financial statements the Company has used the exemption described in paragraph 4 of IFRS 10, which allows not using the equity method of accounting to recognize investments in subsidiaries in which the entity has control and significant influence provided that certain conditions are met. The Company meets each and every of such conditions as of December 31, 2021 and 2020. The Company's shareholders have authorized the preparation of the separate financial statement because the Company's financial information is included in the consolidated financial statements of its ultimate Parent, Tata Consultancy Services Limited (India), which have been prepared and presented in accordance with IFRS as issued by the IASB, and can be found at the web site: https://www.tcs.com/investor-relations.

Investments in subsidiaries are recognized at cost and relate to:

(ThCh$)

			Ownership interest		Carrying amount of the investment	
Taxpayer ID No.	**Company**	**Country**	**As at December 31, 2021 in %**	**As at December 31, 2020 in %**	**As at December 31, 2021**	**As at December 31, 2020**
Foreign	TATA SOLUTION CENTER S.A.	Ecuador	**1.0000**	1.0000	**55,916**	55,916
76.385.060-9	Tata Consultancy Services Chile	Chile	**99.9998**	99.9998	**32,070,655**	32,070,655
Foreign	Technology Outsourcing S.A.C.	Peru	**-**	-	**-**	-
Total					**32,126,571**	32,126,571

The Company determines whether it is necessary to recognize an impairment loss in the subsidiaries. The Company determines at each reporting date whether there is objective evidence that the investment in the subsidiary is impaired; if this is the case, the Company calculates the impairment amount as the difference between the higher of the value in use and fair value of the subsidiary and the acquisition cost and recognizes the amount in the statement of profit or loss.

Changes in investments in subsidiaries held at cost by the Company are as follows:

(ThCh$)

Taxpayer ID No.	Company	Country	Carrying amount of the investments	Additions	Disposals	Carrying amount of the investment as of December 31, 2020
2021						
76.385.060-9	Tata Consultancy Services Chile S.A. (Ex BPO)	Chile	**32,070655**	**-**	**-**	**32,070,655**
Foreign	TATA SOLUTION CENTER S.A.	Ecuador	**55,916**	**-**	**-**	**55,916**
Foreign	Technology Outsourcing S.A.C (*)	Peru	**-**	**-**	**-**	**-**
Total			**32,126,571**	**-**	**-**	**32,126,571**
2020						
76.385.060-9	Tata Consultancy Services Chile S.A. (Ex BPO)	Chile	32,070,655	-	-	32,070,655
Foreign	TATA SOLUTION CENTER S.A.	Ecuador	55,916	-	-	55,916
Foreign	Technology Outsourcing S.A.C (*)	Peru	1	-	(1)	0
Total			32,126,572	-	-	32,126,572

(*) TCS Inversiones Chile Limitada sold all of its 00.02% of Technology Outsourcing S.A.C ownership shares to Banco Pichincha S.A.. on November 13th, 2020.

Management has performed impairment testing and estimates that there is no risk of loss in the value of the assets recorded at December 31, 2021 and 2020.

As of December 31, 2021 and 2020, goodwill amounting to ThCh$17,720,950 which is recorded in Tata Consultancy Services Chile S.A.'s ledgers and recognized through the investment in this company, has been allocated to the cash-generating unit Tata Consultancy Services Chile S.A. The Company makes an estimate of the value in use of the Tata Consultancy Services Chile S.A. cash-generating unit based on future cash flows using an annual growth rate of 3% after a forecast of five years considering a discount rate of 8.63%. A sensitivity analysis of changes in measurement parameters (operating margin, discount rate and average long-term growth rate) based on assumptions fairly probable has identified no probable scenario where recoverable amounts of the cash-generating unit may decrease to less than the carrying amount.

As of December 31, 2021 and 2020, the financial information contained in the financial statements of the companies over which the Company has control is detailed as follows:

(ThCh$)

Taxpayer ID No.	Company	Ownership interest			As of 31.12.2021			
		Country	Direct	Indirect	Assets	Liabilities	Equity	Profit or loss
76385060-9	Tata Consultancy Services Chile S.A.	Chile	**99.9998**	**0.0002**	**47,802,221**	**7,343,217**	**40,459,004**	**8,540,357**
Foreign	TATASOLUTION CENTER S.A.	Ecuador	**1**	**99**	**22,400,247**	**11,862,564**	**10,537,683**	**6,356,283**
Foreign	Tata Consultancy Services Sucursal del Peru	Perú	**-**	**100.0000**	**10,169,577**	**7,973,099**	**2,196,478**	**795,730**
		Ownership interest			**As of 31.12.2020**			
76385060-9	Tata Consultancy Services Chile S.A.	Chile	99.9998	0.0002	49,006,714	8,439,158	40,567,556	(534,840)
Foreign	TATASOLUTION CENTER S.A.	Ecuador	1.0000	99.0000	16,734,664	8,365,672	8,368,992	3,043,181
Foreign	Tata Consultancy Services Sucursal del Peru	Perú	-	100.0000	8,420,353	7,133,095	1,287,258	34,845

(C) Trade and other receivables, current

(a) Trade receivables are detailed as follows:

(ThCh$)

	As at December 31, 2021	As at December 31, 2020
Receivables due from related parties	**983,686**	888,451
Total	**983,686**	888,451

The fair value of trade receivables corresponds to the same business amounts net of the related allowance for doubtful accounts.

(b) Trade receivables past due, unpaid but not impaired are detailed as follows:

(ThCh$)

	As at December 31, 2021	As at December 31, 2020
Up to 30 days	**983,686**	888,451
Total	**983,686**	888,451

(D) Other financial assets

As of December 31, 2021 and 2020, other current financial assets are as follows:

(ThCh$)

	As at December 31, 2021	As at December 31, 2020
Advances to employees	**974**	-
Interest Accrued on investments	**5**	12
Total	**979**	12

(E) Trade payables

Trade and other payables are recognized at their nominal amount, since their average payment term is short and there is no significant difference when compared to their fair value.

As of December 31, 2021 and 2020, trade and other payables are detailed as follows:

(ThCh$)

	As at December 31, 2021	As at December 31, 2020
Trade payables	**48,441**	36,208
Accounts payable due to related parties	**145,924**	288,261
Withholdings	**66,822**	67,062
Total	**261,187**	391,532

(F) Payables due to related entities

As of December 31, 2021 and 2020, non-current other financial liabilities are detailed as follows:

(ThCh$)

Taxpayer ID No.	Company	Relationship	As at December 31, 2021	As at December 31, 2020
76.385.060-9	Tata Consultancy Services Chile S.A. (Ex BPO)	Subsidiary	**127,768**	284,697
Total			**127,768**	284,697

(G) Equity disclosures

(a) Subscribed, fully-paid capital and number of shares

As of December 31, 2021 and 2020, the Company's share capital is composed of the following:

(ThCh$)

Series	Subscribed capital	Paid-in capital
Single	15,290,305	15,290,305

Capital management is intended to maximize the value for the shareholders, safeguard business continuity, and support the Company's growth. The Company determines capital requirements based on annual operating plans, long-term investment plans and other strategic investment plans. Financing requirements are met through capital and cash flows from operating activities generated. The Company is not subject to any capital requirement imposed externally.

(H) Financial assets and financial liabilities

As of December 31, 2021, the carrying amount of financial instruments by category is as follows:

(ThCh$)

2021	Amortized cost	Total carrying amount
Financial assets		
Cash and cash equivalents	**284,797**	**284,797**
Trade and other receivables	**983,686**	**983,686**
Other financial assets	**979**	**979**
Total	**1,269,462**	**1,269,462**
Financial liabilities		
Trade payables	**48,441**	**48,441**
Payables due to related entities, non-current	**127,768**	**127,768**
Total	**176,210**	**176,210**

As of December 31, 2020, the carrying amount of financial instruments by category is detailed as follows:

(ThCh$)

2020	Amortized cost	Total carrying amount
Financial assets		
Cash and cash equivalents	312,184	312,184
Trade and other receivables	888,451	888,451
Other financial assets	12	12
Total	1,200,647	1,200,647
Financial liabilities		
Trade payables	36,208	36,208
Payables due to related entities, non-current	284,697	284,697
Total	320,905	320,905

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables (prior year: unbilled revenue), and trade payables as of December 31, 2021 and 2020, approximate their fair value. The difference between carrying amounts and fair values of bank deposits, cash in banks, other financial assets, other financial liabilities and subsequent loans measured at amortized cost is not significant for each period presented.

Fair value hierarchy

Fair value hierarchy is based on valuation techniques used to measure the fair value of observable and unobservable inputs, and includes the following three levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair values are determined totally or in part using a valuation model based on assumptions that are not supported by market transaction prices currently observable in the same instrument or based on available market data.

(I) Financial risk management

The Company is mainly exposed to variations in foreign exchange rates, credit, liquidity and interest rate risks that may negatively affect the fair value of its financial instruments. The Company has a risk management policy that covers the risks associated with financial assets and financial liabilities. The risk management policy is approved by the Board of Directors. The approach applied by the risk management committee is to assess the unforeseeability of the financial environment and mitigate the potential negative effects on the Company's financial performance.

(a) Market risk

The Company is exposed to market risk related to the risk of fluctuations in the fair value or future cash flows from a financial instrument because of changes in market prices. Such changes in the value of financial instruments may arise from movements in foreign currency exchange rates, interest rate, credit, liquidity and other changes in the market. The exposure to market risk relates mainly to the currency risk.

(b) Currency risk

The fluctuation of foreign currency exchange rate differences may have a potential effect in the statement of profit or loss and other comprehensive income, where any transaction refers to one or more currencies when assets / liabilities are denominated in a currency that is different from the entity's functional currency.

Considering the economic environment of the country in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in such country. The risks mainly relate to the fluctuations in U.S. dollar against the Company's functional currency.

The exchange rate sensitivity is calculated by adding the net exposure to currency risk and a simultaneous change of parallel exchange rates of all currencies by 10% compared to the Company's functional currency.

The analysis below has been prepared based on the Company's net exposure at the reporting date that may affect the statements of profit or loss and other comprehensive income and equity.

As of December 31, 2021, the information related to the exposure to the currency risk is detailed as follows:

(ThCh$)

2021	**USD**	**MXN**	**UF**
Net financial assets	**1,211,774**	**-**	**-**
Net financial liabilities	**827,019**	**-**	**451,843**

The appreciation / depreciation of 10% of related foreign currencies with respect to the functional currency of the Company would result in a decrease / increase in profit before taxes of approximately ThCh$ (67,088) for the year ended December 31, 2021.

As of December 31, 2020, the information related to the exposure to currency risk is as follows:

(ThCh$)

2020	**USD**	**MXN**	**UF**
Net financial assets	1,143,349	-	-
Net financial liabilities	569,970	-	175,943

The appreciation / depreciation of 10% of related foreign currencies with respect to the functional currency of the Company would result in a decrease / increase in profit before taxes of approximately ThCh$39,743 for the year ended December 31, 2020.

(c) Interest rate risk

The Company is not exposed to interest rate risk.

(d) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual terms or obligations. Credit risk includes the direct risk of default and impairment of credit quality, as well as the concentration of risks. Credit risk is controlled by the analysis of credit limits and the credit capability of customers on an ongoing basis that have been obtained the credit after receiving the authorizations required.

Financial instruments subject to concentrations of credit risk include mainly trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. As of December 31, 2021, cash and cash equivalents include ThCh$284,797 held in a bank located in Chile with a high quality credit rating exceeding individually 10% or more of the Company's total cash and cash equivalents as of December 31, 2020. None of the Company's other financial instruments result in a significant concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. As of December 31, 2021 and 2020, the maximum credit exposure amounted to ThCh$1,269,462 and ThCh$1,200,647, respectively, which corresponds to total carrying amount of cash in banks, bank deposits, trade receivables, unbilled revenue, other financial assets and investments.

Trade receivables and contract assets

The exposure to credit risk with respect to trade receivables and contract assets is mainly influenced by individual features of each customer in connection with the practices in the industry and the economic environment in which they operate. The entity limits its exposure to credit risk of trade receivables by establishing a maximum payment period of 272 days for its customers. Subsequent to this, the customers are at default (impaired loan). To manage this risk, the Company has a strong credit management process. The Company has adopted a policy to engage operations only with solvent counterparties. The counterparties' exposure is monitored on a regular basis, and changes to the credit conditions are made as required. The carrying amount of financial assets represents the maximum credit exposure. The Company has derecognized no customer balances, and only a few balances have impaired at the reporting date.

As of December 31, 2021 and 2020, the Company's exposure to customer is diversified; however, certain customers concentrate more than 10% of trade receivables and unbilled revenue:

(ThCh$)

	As at December 31, 2021		As at December 31, 2020	
	Total receivables and provisions for revenue	percent	Total receivables and provisions for revenue	percent
Customer A	**537,813**	**55%**	459,945	52%
Customer B	**112,413**	**11%**	108,355	12%

(e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations. Liquidity risk management is intended to maintain sufficient liquidity and ensure that funds are available for use as per the requirements.

On a regular basis, the Company generated sufficient cash flows from operations to meet its financial obligations as they mature.

(ThCh$)

As of December 31, 2021	Expired in 1st year	Expired in 2nd year	Expired between the 3rd and 5th year	Expired in 5th year	Total
Non-derivative financial liabilities:					
Trade payables	**48,441**	**-**	**-**	**-**	**48,441**
Payables due to related parties, non-current	**-**	**127,768**	**-**	**-**	**127,768**
Total	**48,441**	**127,768**	**-**	**-**	**176,210**
As of December 31, 2020					
Non-derivative financial liabilities:					
Trade payables	106,834	-	-	-	106,834
Other financial liabilities	-	284,698	-	-	284,698
Total	106,834	284,698	-	-	391,532

5. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

(A) Balances and transactions with related parties

(a) Receivables

(ThCh$)

			Current	
Tax ID	**Company**	**Relationship**	**As at December 31, 2021**	**As at December 31, 2020**
76.385.060-9	Tata Consultancy Services Chile S.A.	Subsidiary	**66,951**	55,322
Foreign	TCS SOLUTION CENTER S.A.	Common shareholders	**32,835**	42,056
Foreign	MGDC S.C.	Common shareholders	**-**	-
Foreign	Tata Consultancy Services de Mexico SA de CV	Common shareholders	**537,813**	459,945
Foreign	TCS Colombia S.A.	Common shareholders	**112,413**	108,355
Foreign	Tata Consultancy Services Sucursal del Peru	Branch	**49,435**	42,869
Foreign	TCS Uruguay S.A.	Common shareholders	**83,981**	85,293
Foreign	Technology Outsourcing S.A.C	Subsidiary	**-**	-
Foreign	TATASOLUTION CENTER S.A.	Subsidiary	**86,234**	87,757
Foreign	TCS Iberoamerica S.A.	Parent	**-**	-
Foreign	Tata Consultancy Services Limited	Parent	**14,024**	6,854
Total			**983,686**	888,451

(b) Payables

(ThCh$)

Tax ID	**Company**	**Relationship**	**As at December 31, 2021**	**As at December 31, 2020**
76.385.060-9	Tata Consultancy Services Limited	Parent	**7,624**	24,232
Total			**7,624**	24,232

(c) Interests payable

(ThCh$)

Tax ID	**Company**	**Relationship**	**As at December 31, 2021**	**As at December 31, 2020**
76.385.060-9	Tata Consultancy Services Chile S.A.	Subsidiary	**18,156**	3,564
Total			**18,156**	3,564

(d) Other non-current financial liabilities

(ThCh$)

Tax ID	Company	Relationship	As at December 31, 2021	As at December 31, 2020
76.385.060-9	Tata Consultancy Services Chile S.A.	Subsidiary	**127,768**	284,697
Total			**127,768**	284,697

Transactions among the Company and its related parties correspond to customary operations in terms of their objective and conditions.

Balances receivable and payable are mainly expressed in U.S. dollars and for interest-bearing loans of an approximate annual average rate ranging from 4% to 6% not associated with a repayment schedule, the classification is based on the expected collection period of such accounts receivable.

B. Significant transactions and their effect on profit or loss

(ThCh$)

				For the year ended December 31, 2021		For the year ended December 31, 2020	
Taxpayer ID No.	**Company**	**Relationship**	**Transaction description**	**Amount**	**Credit/ (debit) to profit or loss**	**Amount**	**Credit/ (debit) to profit or loss**
Foreign	TATASOLUTION CENTER S.A.	Common shareholders	Revenue	**311,168**	**311,168**	357,211	357,211
Foreign	TATASOLUTION CENTER S.A.	Common shareholders	Dividends received	**56,819**	**56,819**	-	-
76.385.060-9	Tata Consultancy Services Chile S.A.	Subsidiary	Revenue	**259,889**	**259,889**	232,012	232,012
76.385.060-9	Tata Consultancy Services Chile S.A.	Subsidiary	Repayment of financing	**-**	**-**	228,929	-
76.385.060-9	Tata Consultancy Services Chile S.A.	Subsidiary	Expense reimbursement	**-**	**-**	623	(623)
76.385.060-9	Tata Consultancy Services Chile S.A.	Subsidiary	Interest Expense	**12,267**	**(12,267)**	31,203	(31,203)
76.385.060-9	Tata Consultancy Services Chile S.A.	Subsidiary	Dividends received	**8,648,889**	**8,648,889**	-	-
Foreign	TCS Iberoamerica S.A.	Parent	Dividends paid	**8,704,280**	**-**	-	-
Foreign	Tata Consultancy Services Sucursal del Peru	Branch	Revenue	**186,472**	**186,472**	157,214	157,214
Foreign	Tata Consultancy Services de Mexico SA de CV	Common shareholders	Revenue	**1,910,315**	**1,910,315**	1,781,897	1,781,897
Foreign	Tata Consultancy Services Colombia S.A.	Common shareholders	Revenue	**403,850**	**403,850**	439,019	439,019
Foreign	TCS Solution Center S.A. (Uruguay)	Common shareholders	Revenue	**126,975**	**126,975**	155,385	155,385

(ThCh$)

				For the year ended December 31, 2021		For the year ended December 31, 2020	
Taxpayer ID No.	**Company**	**Relationship**	**Transaction description**	**Amount**	**Credit/ (debit) to profit or loss**	**Amount**	**Credit/ (debit) to profit or loss**
Foreign	TCS Solution Center S.A. (Uruguay)	Common shareholders	Dividends Paid	**-**	**-**	-	-
Foreign	MGDC S.C.	Common shareholders	Revenue	**-**	**-**	5	5
Foreign	TCS Uruguay S.A.	Common shareholders	Revenue	**300,587**	**300,587**	352,903	352,903
Foreign	TCS Uruguay S.A.	Common shareholders	Profit distribution	**1**	**1**	-	-
Foreign	Tata Consultancy Services Limited	Parent	Expense reimbursement	**97,860**	**(97,860)**	117,581	(117,581)
Foreign	Tata Sons Private Limited	Common shareholders	Use of brand	**71**	**(71)**	234	(234)

6. NON-FINANCIAL ASSETS AND LIABILITIES

A. Furniture and equipment

On the date of transition to International Financial Reporting Standards, the Company elected to define deemed cost as the alternative for maintaining the assets measured at their acquisition cost adjusted and discounted for accumulated depreciation, where applicable, under Chilean standards applied until the date of adoption of IFRS.

The cost of items of furniture and equipment comprises their acquisition cost plus any other costs directly attributable to bringing the assets to a working condition for their intended use as foreseen by Management and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located. Financial cost is capitalized in accordance with IAS 23.

Repair, preservation and maintenance expenses are expensed in profit or loss in the period in which they are incurred. Note that certain items of furniture and equipment of TCS Inversiones Chile Limitada require regular reviews. In this sense, the items that are replaced are recognized separately from the rest of the asset and with a disaggregation level which allows their amortization in the period between the present and next repair.

Expansion, modernization and improvement costs that represent an increase in productivity, capacity or efficiency, or an increase in the useful life, are capitalized as an increase in the value of the assets.

The gain or loss from selling or retirement of an asset is calculated as the difference between the price obtained from the sale and the carrying amount in the accounting records with a debit or credit to profit or loss for the period.

Depreciation Items of furniture and equipment are depreciated using the straight-line method by distributing the acquisition cost of the assets less their estimated residual value over the estimated useful lives of assets.

The residual value and useful life of items of furniture and equipment are reviewed on an annual basis, and depreciation starts when assets are brought to working condition for their intended use.

The main items of property, plant and and their related useful lives are shown below:

	Useful life (years)
Furniture	5
Machinery and computer equipment	4
Electrical and air conditioning equipment	10
Storage facilities	10

Depreciation

Land is recognized separately from the buildings or facilities that may stand on them, it has an indefinite useful life and, accordingly, it is not depreciated.

TCS Inversiones Chile Limitada, at least annually, assesses the existence of a possible impairment of assets in furniture and equipment. Any reversal of the impairment loss is recognized in profit or loss, where applicable.

Impairment

Furniture and equipment with a limited useful life are assessed to recover them as long as there is any indication that their carrying amount may not be recoverable. Should such indication exist, the recoverable amount (i.e. the higher of its fair value less costs to sell and its value in use) is determined based on an individual asset, unless such asset generates no cash inflows that are largely independent 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 lower than its carrying amount, then the asset's carrying amount (or CGU) is reduced to its recoverable amount. Impairment losses are recognized in profit or loss.

a. Detail

The detail by class of furniture and equipment at each year-end, net and gross, is as follows:

Classes of furniture and equipment, net

(ThCh$)

	As at December 31, 2021	As at December 31, 2020
IT equipment	**4,007**	4,282
Office equipment	**2,054**	3,274
Total furniture and equipment, net	**6,061**	7,556

Classes of furniture and equipment, gross

(ThCh$)

	As at December 31, 2021	As at December 31, 2020
IT equipment	**7,324**	5,991
Office equipment	**6,100**	6,100
Total furniture and equipment, gross	**13,424**	12,091

Accumulated depreciation by class of furniture and equipment at each year-end is as follows:

Types of accumulated depreciation and impairment of furniture and equipment

(ThCh$)

	As at December 31, 2021	As at December 31, 2020
IT equipment	**3,317**	1,709
Office equipment	**4,046**	2,826
Total accumulated depreciation and impairment of furniture and equipment	**7,363**	4,536

b. Movements

Accounting movements in net furniture and equipment for the years ended December 31, 2021 and 2020 are as follows:

	IT equipment	Office equipment	Furniture and equipment, net
Opening balance as of January 1, 2021 (net of accumulated depreciation)	**4,283**	**3,273**	**7,556**
Acquisitions	**1,333**	**-**	**1,333**
Sales and disposals	**-**	**-**	**-**
Depreciation expense	**(1,607)**	**(1,220)**	**(2,827)**
Other increases/(decreases)	**-**	**-**	**-**
Total net property, plant and equipments as of December 31, 2021	**4,008**	**2,053**	**6,061**
	IT equipment	**Office equipment**	**Furniture and equipment, net**
Opening balance as of January 1, 2020 (net of accumulated depreciation)	2,653	4,283	6,936
Acquisitions	3,338	183	3,521
Sales and disposals	-	-	-
Depreciation expense	(1,708)	(1,193)	(2,901)
Other increases/(decreases)	-	-	-
Total net property, plant and equipments as of December 31, 2020	4,283	3,273	7,556

The total depreciation expense for 2021 and 2020 amounts to ThCh$2,827 and ThCh$2,232, respectively, and is classified within the caption Depreciation expense in the separate statements of comprehensive income per nature.

Accounting movements in the cost of gross furniture and equipment, for the years ended December 31, 2021 and 2020 are as follows:

	IT equipment	Office equipment	Furniture and equipment, net
Opening balance as of January 1, 2021 (gross)	**5,991**	**6,100**	**12,091**
Acquisitions	**1,333**	**-**	**1,333**
Other increases / (decreases)	**-**	**-**	**-**
Total gross property, plant and equipments as of December 31, 2021	**7,324**	**6,100**	**13,424**
	IT equipment	**equipment**	**equipment, net**
Opening balance as of January 1, 2020 (gross)	2,653	5,917	8,570
Acquisitions	3,338	183	3,521
Other increases / (decreases)	-	-	-
Total gross property, plant and equipments as of December 31, 2020	5,991	6,100	12,091

	IT equipment	Office equipment	Furniture and equipment, net
Opening balance of accumulated depreciation as of January 1, 2021	**(1,709)**	**(2,826)**	**(4,536)**
Acquisitions	**-**	**-**	**-**
Sales and disposals	**-**	**-**	**-**
Depreciation expense	**(1,607)**	**(1,220)**	**(2,827)**
Other increases/(decreases)	**-**	**-**	**-**
Net accumulated depreciation as of December 31, 2021	**(3,317)**	**(4,046)**	**(7,363)**
Opening balance of accumulated depreciation as of January 1, 2020	(670)	(1,634)	(2,303)
Acquisitions	-	-	-
Sales and disposals	-	-	-
Depreciation expense	(1,040)	(1,193)	(2,232)
Other increases/(decreases)	-	-	-
Net accumulated depreciation as of December 31, 2020	(1,709)	(2,826)	(4,536)

B. Other current non-financial liabilities

As of December 31, 2021 and 2020, payable due to related are detailed as follows:

(ThCh$)

Taxpayer ID No.	Company	Relationship	As at December 31, 2020	As at December 31, 2020
Foreign	Tata Consultancy Services Limited	Parent	**9**	25,457
Total			**9**	25,457

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7. INCOME TAX AND DEFERRED TAXES

Income tax expense comprises the current income tax expense and net variation in the deferred income tax asset or liability during the year. Current taxes and deferred taxes are recognized in profit or loss, except when they relate to items recognized in other comprehensive income or directly recognized in equity, in which case they are also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes

Current income tax is based on the tax profit for the year, and is calculated using the tax rates enacted at the reporting date.

Prepaid taxes and current income tax provisions are recognized in the statement of financial position upon offsetting such prepaid taxes and income tax provisions generated from the same tax jurisdiction and where the relevant tax payment unit is aimed at settling the asset and liability on a net tax basis.

Deferred income taxes

The Company recognizes deferred income taxes using the statement of position method. Deferred taxes are obtained from temporary differences between the tax base of assets and liabilities, and their reported amounts in the financial statements.

Deferred tax assets and liabilities are measured using substantially enacted tax rates or rates expected to be applied on taxable income in the years the Company expects to receive them or the temporary differences are settled. Deferred tax assets and liabilities are offset when they relate to the income taxes collected by the same tax authority and the relevant company intends to settle its assets and liabilities on a net tax basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and discounted to the extent that it is not probable that sufficient taxable profit will be available to allow the use of a portion or all that deferred tax asset.

(A) Income tax recognized in profit or loss for the year

(ThCh$)

	Accumulated for the period from January through December	
Income tax expense	**As at December 31, 2021**	**As at December 31, 2020**
Income tax from prior periods	**981**	-
Other current tax income/(expenses)	**(79,402)**	(115,661)
Current tax expense	**(78,421)**	(115,661)
Deferred tax income/(expense) related to the generation and reversal of temporary differences for current tax	**22,733**	38,406
Income tax expense, net	**(55,688)**	(77,255)

(B) Reconciliation of accounting profit or loss to taxable profit or loss

(ThCh$)

Income tax expense	As at December 31, 2021	As at December 31, 2020
Net gain	**8,948,199**	311,830
Effective tax rate	**27.0%**	27.0%
Tax expense using the legal rate	**(2,416,014)**	(84,194)
Income with tax credit from foreign source	**-**	-
Adjustment of income tax recorded in prior periods	**981**	-
Non-taxable income	**-**	-
Other adjustments to net taxable income	**2,359,345**	6,939
Tax expense using the effective rate	**(55,688)**	(77,255)

On September 29, 2014, Law No. 20.780 was enacted in Chile, establishing a permanent change in the corporate income tax rate of 21% starting from 2014, up to a 27 percent starting from 2019.

On January 27, 2016, the Act that simplifies the tax reform was passed, which is intended to simplify the income tax system in force from 2017; make adjustments to the value-added tax; as well as to the anticircumvention rules. Concerning tax system, the proposed amendment considers that Shareholders' corporations (openly and closely held), as in the case of the Company should always be taxed according to the partially-integrated system. Later, this system will be the general taxation regime for companies beginning from the commercial year 2017.

(C) Deferred taxes

As of December 31, 2021 and 2020, the detail of accumulated balances of deferred tax assets and liabilities is as follows:

(ThCh$)

Recognized deferred tax assets related to:	As at December 31, 2021	As at December 31, 2020
Accrued vacations	**88,621**	24,427
Other	**118,776**	160,237
Total deferred taxes	**207,397**	184,664

(D) Movements in Deferred taxes

As of December 31, 2021 and 2020, the detail of movements in deferred tax assets and liabilities is as follows:

(ThCh$)

Movements	Balance as of January 1, 2021	Effects recognized in profit or loss	Balance as of December 31, 2021
Recognized deferred tax assets related to:			
Accrued Vacations	**24,427**	**64,194**	**88,621**
Other	**160,237**	**(41,461)**	**118,776**
Total deferred tax assets	**184,664**	**22,733**	**207,397**

(ThCh$)

Movements	Balance as of January 1, 2020	Effects recognized in profit or loss	Balance as of December 31, 2020
Recognized deferred tax assets related to:			
Accrued Vacations	37,423	(12,996)	24,427
Other	108,835	51,402	160,237
Total deferred tax assets	146,258	38,406	184,664

8. EMPLOYEE BENEFITS

(A) Obligations for employee benefits

As of December 31, 2021 and 2020, this caption is detailed as follows:

(ThCh$)

	As at December 31, 2021	As at December 31, 2020
Share of profit or loss	**438,095**	453,390
Accrued vacations	**328,225**	229,075
Provision for bonuses (Gems)	**294**	1,197
Total	**766,614**	683,662

(B) Movements in employee benefitss

(ThCh$)

	Accrued vacations	Share of profit or loss	Other	Total
Opening balance	**229,075**	**453,390**	**1,196**	**683,661**
Movements in provisions:				
Additional obligations	**171,663**	**660,691**	**-**	**832,354**
Obligations used	**(72,514)**	**(675,985)**	**(902)**	**(749,401)**
Total movements in provisions	**99,150**	**15,294**	**902**	**82,953**
Balance as of December 31, 2021	**328,225**	**438,095**	**294**	**766,614**

(ThCh$)

	Accrued vacations	Share of profit or loss	Other	Total
Opening balance	138,602	401,240	210	540,052
Movements in provisions:				
Additional obligations	153,177	636,408	5,640	795,225
Obligations used	(62,704)	(584,258)	(4,654)	(651,616)
Total movements in provisions	90,473	52,150	986	143,609
Balance as of December 31, 2020	229,075	453,390	1,196	683,661

9. OPERATING PROFIT

The Company obtains revenue from providing personnel solutions associated with loan staff to its customers (which are related parties), associated with different customers' operating areas.

The Company has a single performance obligation which is providing labour services to its customers. Revenue is recognized when services are provided to customers for an amount that reflects the consideration the Company expects to receive in exchange for such services, using the expected cost plus a margin approach, in accordance with the terms of the underlying agreement. Invoices are issued according to contractual terms entered into with the related party, which are usually monthly.

The Company has applied the practical expedient for recognizing service revenue in proportion to the amount it is entitled to invoice to customers in accordance with the terms of the agreement.

Revenue excludes taxes collected from customers.

All revenue is obtained from customers located in Latin America.

(ThCh$)

	As at December 31, 2021	As at December 31, 2020
Consulting services and administrative support	**3,499,241**	3,511,135
Total Revenue	**3,499,241**	3,511,135

10. OTHER OPERATING EXPENSES

As of December 31, 2021 and 2020, other operating expenses are as follows:

(ThCh$)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Data circuits (communications)	**8,503**	8,124
Installations	**4,416**	2,883
Travel expenses	**63,891**	37,833
Expenses for consulting	**28,919**	107,828
Other expenses	**74,359**	32,448
Total	**180,088**	189,116

11. EXPENSES BY FUNCTION

As of December 31, 2021 and 2020, expenses by function are detailed as follows:

(ThCh$)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Employee benefit	**(3,079,247)**	(2,989,875)
Other operating expenses	**(180,088)**	(189,116)
Depreciation and amortization expenses	**(2,827)**	(2,232)
Total	**(3,262,162)**	(3,181,224)

12. DIVIDENDS RECEIVED FROM SUBSIDIARIES

As of December 31, 2021 and 2020, dividends received from the subsidiary Tata Solution Center S.A. (Ecuador) are detailed as follows:

(ThCh$)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Tata Consultancy Services Chile S.A.	**8,705,708**	-
Total	**8,705,708**	-

13. FOREIGN CURRENCY TRANSACTION DIFFERENCES

(ThCh$)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Receivables due from/Payables due to related parties	**(14,872)**	28,196
Other	**31,102**	(17,019)
Total	**16,230**	11,177

14. LAWSUITS AND CONTINGENCIES

As of December 31, 2021, the Company is not aware of any contingency or commitment that could affect the interpretation and the accompanying separate financial statements.

15. SUBSEQUENT EVENTS

Between January 1, 2021 and the date when separate financial statements were authorized for issue, there are no additional subsequent events that could affect the Company's financial position and/or profit or loss or which require disclosure in the notes to the separate financial statements.

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TATA CONSULTANCY SERVICES CHILE S.A.

INDEPENDENT AUDITOR'S REPORT

For the year ended December 31, 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

INDEPENDENT AUDITOR'S REPORT

TO THE PRESIDENT, BOARD OF DIRECTORS AND STOCKHOLDERS OF TATA CONSULTANCY SERVICES CHILE S.A.

We have audited the accompanying separate financial statements of Tata Consultancy Services Chile S.A., which comprise the separate statement of financial position as of December 31, 2021, and the related separate statements of comprehensive income, changes in equity, and cash flows for the year then ended, and the related notes to the separate financial statements.

Management's Responsibility for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the International Financial Reporting Standards. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Chile generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the financial position of Tata Consultancy Services Chile S.A. as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Emphasis of matter

The accompanying separate financial statements have been prepared to reflect the individual financial position of Tata Consultancy Services Chile S.A. before consolidating, on a line-by-line basis, with the financial statements of its subsidiaries. Accordingly, for proper interpretation purposes, these separate financial statements need to be read and analyzed along with the consolidated financial statements of Tata Consultancy Services Limited.

Other Matters

The separate financial statements for the year ended December 31, 2020 of Tata Consultancy Services Chile S.A. were audited by other auditors, whose report, dated February 24, 2021, expressed an unqualified opinion on those statements.

The above translation of the auditors' report is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been done solely for the convenience of non-Spanish readers.

Santiago, Chile
February 21, 2022

Luis Velásquez Molina
Partner- Grant Thornton Chile

Balance sheet as at 31 December 2021

(ThCh$)

ASSETS	Note	2021	2020
Current Assets			
Cash and cash equivalents	4A	**5,342,083**	6,680,369
Trade receivables			
Billed	4C	**5,222,104**	3,757,562
Unbilled	4C	**2,143,429**	1,475,692
Other current financial assets	4D	**634,790**	512,578
Income tax assets, net	6A	**348,200**	594,974
Other current assets	7D	**687,178**	509,295
Total current assets		**14,377,784**	13,530,470
Non-current assets:			
Other financial assets	4D	**127,768**	284,698
Non-current income tax assets, net	6B	**366,344**	1,463,055
Investments in subsidiaries	4B	**10,642,688**	10,642,688
Goodwill	7B	**17,720,950**	17,720,950
Furniture and equipment, net	7A	**1,108,604**	1,001,944
Right-of-use assets	8	**2,566,274**	3,389,138
Other non current assets	7C	**29,558**	12,042
Deferred tax assets	9C	**862,251**	961,729
Total non-current assets		**33,424,437**	35,476,244
Total assets		**47,802,221**	49,006,714
LIABILITIES AND EQUITY		**-**	-
Current liabilities:		**-**	-
Trade payables	4E	**1,004,743**	918,210
Current lease liabilities		**849,996**	817,918
Other financial liabilities	4F	**212,789**	277,191
Unearned and deferred revenue	11	**346,548**	798,925
Employee benefit obligations	10	**2,166,813**	1,989,014
Other non-financial liabilities	4G	**842,221**	867,791
Total current liabilities		**5,423,110**	5,669,049
Non-current liabilities:			
Non-current lease liabilities		**1,920,107**	2,770,109
Total non-current liabilities		**1,920,107**	2,770,109
Total liabilities		**7,343,217**	8,439,158
EQUITY:		**-**	-
Share Capital	4H	**16,997,134**	16,997,134
Retained earnings		**23,461,870**	23,570,422
Total equity		**40,459,004**	40,567,556
TOTAL LIABILITIES AND EQUITY		**47,802,221**	49,006,714

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

Separate Statements of Comprehensive Income, per Nature of the Expense

(ThCh$)

	Note	For the years ended December 31, 2021 and 2020	
		2021	**2020**
REVENUES	13	**38,194,404**	32,262,121
Total revenue		**38,194,404**	32,262,121
EXPENSES:			
Salaries and employee benefits		**26,897,608**	25,500,855
Other operating expenses	15	**6,597,044**	6,233,903
Depreciation and amortization expenses		**1,188,837**	1,168,164
Total expenses	16	**34,683,489**	32,902,922
TOTAL OPERATING PROFIT (LOSS)		**3,510,915**	(640,801)
OTHER INCOME:			
Finance and other income	14	**5,693,386**	49,058
Foreign currency translation, difference	17	**1,067,071**	(116,195)
Other non-operating expenses, net		**(148,516)**	(180,820)
Total other income, net		**6,611,941**	(247,957)
Profit before tax		**10,122,856**	(888,758)
INCOME TAX BENEFIT (EXPENSES)	9A	**(1,582,499)**	353,919
Profit from continuing operations after tax		**8,540,357**	(534,840)
Profit for the period		**8,540,357**	(534,840)
OTHER COMPREHENSIVE INCOME (LOSS)		**-**	-
Profit for the period		**8,540,357**	(534,840)
Other comprehensive income (loss)		**-**	-
TOTAL COMPREHENSIVE INCOME		**8,540,357**	534,840)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

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Separate Statements of changes in Equity

(ThCh$)

	Note	For the years ended December 31, 2021 and 2020			
		Number of shares	Share capital	Retained earnings	Total Equity
Opening balance as of January 1, 2021		431,926	16,997,134	23,570,422	40,567,556
Impact of the transition to IFRS 16		-	-	-	-
Adjusted opening balance as of January 1, 2021		431,926	16,997,134	23,570,422	40,567,556
Comprehensive income					
Profit for the year		-	-	8,540,357	8,540,357
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	8,540,357	8,540,357
Dividends distributed to the shareholders	12	-	-	(8,648,909)	(8,648,909)
Changes in equity		-	-	(108,552)	(108,552)
Closing balance as of December 31, 2021		431,926	16,997,134	23,461,870	40,459,004
Opening balance as of January 1, 2020		431,926	16,997,134	24,105,262	41,102,396
Impact of the transition to IFRS 16					
Adjusted opening balance as of January 1, 2020		431,926	16,997,134	24,105,262	41,102,396
Comprehensive income					
Profit for the year		-	-	(534,840)	(534,840)
Other comprehensive income		-	-		
Total comprehensive income		-	-	(534,840)	(534,840)
Dividends distributed to the shareholders	12	-	-		
Changes in equity		-	-	(534,840)	(534,840)
Closing balance as of December 31, 2020		431,926	16,997,134	23,570,422	40,567,556

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENTS.

Cash flow statement for the years ended December 31, 2021 and 2020

(ThCh$)

	Note	For the period from January 1 to December31	
		2021	2020
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:			
Profit for the year		**8,540,357**	(534,840)
Adjustments to reconcile profit for the year:			
Income tax	9A	**1,582,499**	(353,919)
Depreciation and amortization		**1,188,837**	1,168,165
Effect of foreign currency translation difference		**31,360**	132,434
Total cash flows before changes in working capital		**2,802,699**	946,680
INCREASE/(DECREASE) IN WORKING CAPITAL:			
Trade receivables		**-**	-
Billed		**(1,464,542)**	965,860
Unbilled		**(667,737)**	282,972
Other financial assets		**(122,212)**	(61,654)
Other assets		**(258,119)**	1,405,628
Trade payables		**86,330**	(1,364,532)
Other current financial liabilities		**(64,402)**	(114,864)
Deferred income		**(452,377)**	200,336
Provision for employee benefits		**177,799**	331,215
Other current liabilities		**(25,570)**	(98,322)
Total net increase in working capital		**(2,790,831)**	1,546,639
Interest Paid		**203**	(3,399)
Income tax paid		**(139,537)**	(469,857)
Net cash from operating activities		**8,412,891**	1,485,223
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Disposal of investment property		**-**	1,147,621
Acquisition of furniture and equipment		**(472,634)**	(606,096)
Net cash used in investing activities		**(472,635)**	541,525
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		**-**	-
Loans granted to related companies		**-**	-
Cash receipts for loans granted to related companies		**188,289**	504,646
Dividend payment	12	**(8,648,909)**	-
Payment of lease liabilities		**(817,923)**	(787,023)
Net cash used in financing activities		**(9,278,542)**	(282,376)
Net increase/(decrease) in cash and cash equivalents		**(1,338,286)**	1,744,372
Cash and cash equivalents at January 1		**6,680,369**	4,935,997
Cash and cash equivalents at December 31		**5,342,083**	6,680,369

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE SEPARATE FINANCIAL STATEMENT

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1. Overview of the Company

On October 18, 2005, Tata Consultancy Services (TCS) Chile Limitada was incorporated via public deed.

On December 1, 2006, the shareholders agreed to incorporate the Company as a closely-held shareholders' corporation in conformity with Articles No. 96 and 97 of Law No. 18.046 (the Public Company Act). The Company is referred to as Tata Consultancy Services BPO Chile S.A.

On December 28, 2006, Tatasolution Center S.A. (a subsidiary of Tata Consultancy Services Chile S.A.), was incorporated in Ecuador and commenced its operations on June 1, 2007. It is mainly engaged in providing IT services, software development and maintenance, and administrative and operating processes (BPO) primarily to financial institutions.

On December 29, 2006, Tata Consultancy Services BPO Chile S.A. (formerly - Tata Consultancy Services (TCS) Chile Limitada) acquired 100% of shares of its subsidiary Tata Consultancy Services BPO Chile S.A. (formerly - Comicrom S.A.). Consequently, such subsidiary was dissolved by operation of law.

On February 15, 2010, the foreign subsidiary "Tata Consultancy Services Sucursal Perú" was incorporated via public deed.

At Extraordinary Shareholders' Meeting held on July 30, 2010, the shareholders agreed on the merger through absorption of Tata Consultancy Services BPO Chile S.A. by Tata Consultancy Services Chile S.A., and accordingly, at such meeting the company's name was changed from Tata Consultancy Services BPO Chile S.A. to Tata Consultancy Services Chile S.A.

In Chile, the Company began operations in 2003 and currently has 1,223 employees in offices located in Santiago (Head office), Valparaíso, Concepción and Buin, having operations throughout Chile through its Technical Service and Regional Exchange areas to provide services to more than 100 customers from several industries, e.g. Bank and Financial Services, Retail, Insurance, Telecommunications, Manufacturing, Governance, Mining and Transportation

These separate financial statements have to be read and analyzed in conjunction with the consolidated financial statements of Tata Consultancy Services Limited.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

2. Basis of presentation of the separate financial statements

A. Use of estimates and judgments

The preparation of these separate financial statements in conformity with the recognition and measurement principles under IFRS, requires that Management make estimates and judgments which have an impact on the reported balances of assets and liabilities, the disclosures of contingent liabilities at the reporting date, and the balance of income and expenses for the reporting periods.

The underlying estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimate is revised and any future periods affected.

The key source of estimation uncertainty at the reporting date, which may result in a material adjustment to the carrying amounts of assets and liabilities within the subsequent financial year, relates to the impairment of goodwill, useful lives of items of furniture and equipment, valuation of deferred tax assets, provisions and contingent liabilities, as detailed below. The main key sources of estimation uncertainty related to revenue recognition, employee benefits, and fair value measurement of financial instruments, have been assessed based on the applicable policies.

Revenue recognition

- The Company's contracts with customers may include multiple goods or services promised to customers. The Company assesses the goods / services promised in a contract and identifies distinct performance obligations in it. The identification of a different performance obligation implies judgment to determine the deliverables involved and the customer's ability to benefit from the good or service, independently of such deliverables.
- In addition, the Company is required to apply judgment to determine the transaction price of the contract. The transaction price could be a fixed amount of customer consideration, or a variable consideration including elements such as volume discounts, service level credits, performance bonuses, price concessions, and incentives. In addition, the transaction price is adjusted for the effects of the time value of money if the contract contains a significant financing component. Any consideration payable to the customer is adjusted at the transaction price, unless it relates to a payment for a different good or service of the customer. The estimated amount of the variable consideration is

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adjusted in the transaction price only to the extent that it is highly probable that that there will be no significant reversal of the retained earnings recognized, and it is reassessed at each reporting period. The Group allocates the elements of variable considerations to all performance obligations of the contract, unless there is observable evidence that such elements relate to one or more different performance obligations

- The Company applies judgment to determine the appropriate stand-alone selling price for a performance obligation. Regularly, the Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of the separate goods or service promised in the contract. When the stand-alone selling price is not observable, the Company uses the expected cost plus a margin approach to allocate the transaction price to each separate performance obligation.
- The Company applies judgment to determine whether a performance obligation is satisfied at a point in time or over time. It takes into account indicators such as the manner in which the customer consumes the benefits as services are rendered or who controls the asset as it is created, or whether the Company has an enforceable right to payment for performance completed through the present date and the alternative use of such product or service, the transfer of significant risks and rewards to the customer, the acceptance of delivery by the customer, etc.
- Revenue from fixed-price contracts is recognized using the percentage of completion method. The Company applies judgment to estimate the future cost until completion of the contracts and it uses judgment to determine the progress towards complete satisfaction of the performance obligation.
- The costs incurred in complying with the contracts are generally recorded as expenses incurred, except for certain software license costs which comply with capitalization criteria. Such costs are amortized over the lower of the contract term or the license useful life. The assessment of this criterion requires judgment, particularly when considering whether the costs create or enhance resources that will be used in satisfying performance obligations, and whether such costs are expected to be recovered.

Impairment of goodwill

The Company estimates the value in use of cash generating units (CGU) based on future cash flows after taking into account current economic conditions and trends, estimated future operating profit or loss, growth rate, and estimated future economic and regulatory conditions The Company estimates cash flows using internal forecasts. The discount rates used for the CGUs represent the weighted average cost of principal based on the historic market performance of comparable companies.

Useful lives of items of furniture and equipment.

The Company reviews the carrying amount of items of furniture and equipment at the end of each reporting period. This reassessment may result in changes to the depreciation expense for future periods.

Measurement of deferred tax assets.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Contingent liabilities are not recognized in the financial statements. Contingent assets are not recognized or disclosed in the financial statements.

Fair value measurement of financial instruments.

When the Company is not able to measure the fair value of financial assets and financial liabilities in the statement of financial position based on quoted prices in active markets, the fair value is measured using valuation techniques which include the discounted cash flow model. Inputs to these models are obtained from observable markets where possible, otherwise a degree of judgment is required to establish fair values. The judgments include considering inputs such as liquidity risk, credit risk and volatility.

Changes in the assumptions with respect to these factors could affect the reported fair value of financial instruments. The policy has been explained in further detail in Note 4.

Leases

The Company assesses whether an agreement is classified as a lease as per the requirements of IFRS 16. Identifying a lease requires significant judgment. The Company uses significant judgment to assess the lease term (including early renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both: periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

In general, the discount rate is based on the specific incremental interest rate for the lease under assessment or a lease portfolio with similar characteristics.

Impact of COVID-19 (pandemic)

Company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on leases etc.

B. Statement of compliance

These separate financial statements of Tata Consultancy Services Chile S.A. (hereinafter the "Company"), for the year ended December 31, 2021, are presented in Chilean pesos and have been prepared in accordance with IAS 27, "Separate

Financial Statements" included in International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (hereinafter the "IASB"), applying the exception described in paragraph 4 of IFRS 10, Consolidated Financial Statements. Likewise, these financial statements are exempt from disclosure provisions contained in IFRS 12.

The information contained in the separate financial statements is the responsibility of the Company's Management which expressly states it has applied all the principles and criteria included in

IAS 27 and IFRS; the separate financial statements have been approved by the Board of Directors on XXXX.

The translation of these financial statements is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been made solely for the convenience of non-Spanish readers.

C. Historical cost basis

The separate financial statements have been prepared on the historical cost basis. Generally, the historical cost is based on the fair value of the consideration paid in exchange for goods and services. The fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants on the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. For purposes of measurement and/or disclosure in these separate financial statements, fair value is determined as described above, except for the determination of value in use under IAS 36, which has been measured at market value.

D. Separate financial statements

(a) Separate statements of financial position

In the separate statements of financial position of Tata Consultancy Services Chile S.A., balances are classified on the basis of their maturities; i.e., as current when they have maturities of 12 months or less, and non-current when the maturity exceeds 12 months. If any obligations exist which maturity is less than 12 months, but according to the Company, its long-term refinancing is secured through credit contracts available unconditionally with long-term maturities, they are classified as long-term liabilities.

(b) Separate statements of comprehensive income

Tata Consultancy Services Chile S.A. has opted to present its statements of income classified by nature.

(c) Separate statements of cash flows

Tata Consultancy Services Chile S.A. has opted to present its statements of cash flows using the indirect method.

E. Reporting period

These separate financial statements of Tata Consultancy Services Chile S.A. were prepared as of December 31, 2021 and 2020 and for the years then ended.

F. Currency

The functional currency of Tata Consultancy Services Chile S.A. is the Chilean peso

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

G. Basis of translation

Balances of assets and liabilities in UF (inflation-adjusted units), U.S. dollars and other foreign currencies have been translated to Chilean pesos at the exchange rates in force at the closing date of the separate financial statements. At the reporting date, the effective exchange rates are detailed as follows:

(ThCh$)

	2021	2020
US Dollar	**844,69**	710,95
Inflation- adjusted units (UF)	**30.991,74**	29.070,33

Foreign currency translation differences and adjustments are debited or credited to profit or loss, as applicable, in accordance with IFRS. The exchange rates used by the Company at the reporting date do not significantly differ from those currently in force.

H. Classification of balances (current and non-current)

In the accompanying statement of financial position, balances are classified according to their maturities, i.e. as current those with maturities of 12 months or less and non-current those with maturities exceeding 12 months.

I. Statement of cash flows

For the preparation of the statement of cash flows, the Company uses the following definitions:

Cash and cash equivalents relates to cash on hand, cash in bank current accounts, time deposit and highly-liquid fixed income mutual fund deposits held in financial entities with original maturities of up to three months and insignificant risk of loss of value.

The statement of cash flows considers the following account categories:

(a) Operating activities

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

(b) Investing activities

Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

(c) Financing activities

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

3. Summary of significant accounting policies

The entity has consistently applied the following accounting policies to all periods presented in these separate financial statements.

The accounting policies set out below have been used in the preparation of these separate financial statements. As required by IFRS 1, these policies have been defined considering the IFRS effective as of December 31, 2021.

A. Provisions and contingent liabilities

A provision is a liability of uncertain timing or amount. Provisions are recognized in the balance sheet when the following requirements are met in a copulative manner:

- The Company has a present legal or constructive obligation as a result of a past event.
- It is probable that at the reporting date an outflow of economic benefits will be required to settle the obligation.
- The obligation can be estimated reliably.

A contingent asset or liability is an obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

B. Employee benefits

The Company recognizes accrued vacation expenses using the accrual method. Such benefit is applicable to all personnel and relates to a fixed amount according to each employee's contract, which is recorded at its nominal value.

C. Offsetting of balances and transactions

Generally, in the separate financial statements there is no offsetting of assets or liabilities or revenue and expenses, except for those cases where offsetting is required or permitted by any standard and such presentation is the reflection of the substance of the transaction.

Revenues and expenses generated by transactions which contractually or mandatorily because of the enactment of a law include the possibility of offsetting, are those for which the Company intends either to settle the obligations on a net basis, or to realize the asset and settle the liability simultaneously.

D. 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 16	Property, plant and equipment: Proceeds before intended use (1)
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract (1)
Amendments to IFRS 3	Business Combinations - Reference to Conceptual Framework (1)
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 161
Amendments to IAS 1	Classification of Liabilities (2)
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies (2)
Amendments to IAS 8	Definition of Accounting Estimates (2)
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (2)

(1) Effective for annual periods beginning on or after January 1, 2022.

(2) Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, toprohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an

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entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, tospecify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 – Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, to update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Group does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Group does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Group does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

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IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group will evaluate the impact, if any, in its financial statements.

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of

the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Group does not expect the amendment to have any significant impact in its financial statements.

4. Financial assets and financial liabilities, and equity instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or reduce the fair value of financial assets or financial liabilities in the initial recognition.

Financial assets

Cash and cash equivalents

The Company classifies as cash and cash equivalents all highly-liquid financial instruments, which are readily convertible into known amounts of cash subject to an insignificant risk of changes in value, with maturities of three months or less from the date of acquisition. Cash and cash equivalents comprise cash in banks not restricted for withdrawal and use.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if those financial assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income.

Financial assets are measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Company has adopted the irrevocable option of presenting the subsequent changes in the fair values of capital investments not held for trading in other comprehensive income.

Financial assets at fair value through profit and loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or assumption of financial liabilities at fair value through profit or loss are immediately recognized in the interim condensed statement of profit or loss.

Financial liabilities

Other financial liabilities are measured at amortized cost using the effective interest method.

Equity securities

Equity securities are contracts which establish a residual interest on the Company's assets after deducting all its liabilities. Equity securities issued by the Company are recognized at the amount of the income received net of direct cost of issue.

Impairment of financial assets (not measured at fair value)

At each reporting date, the Company assesses whether a financial asset or group of financial assets is impaired. IFRS 9 requires that expected credit losses are measured through a loss allowance. The Company recognizes lifetime expected credit losses for all its contract assets and/or trade receivables that do not contain a significant financing component. To determine the allowance for doubtful accounts, the Company has used a practical expedient for the calculation of the allowance for expected credit losses of trade receivables using an allowance matrix. The allowance matrix considers the historical credit loss experience and is adjusted for prospective information. The allowance for expected credit losses is based on the maturity of accounts receivable past due and the rates used in the allowance matrix. For the remaining financial assets, expected credit losses are measured at an amount equal to 12-month expected credit losses or an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

A. Cash and cash equivalents

As of December 31, 2021 and 2020, this caption is composed of the following:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Cash on hand	**3,866**	6,039
Time deposits	**3,955,366**	4,421,708
Cash in banks	**1,382,851**	981,701
Remittances in transit - within Overseas Countries (1)	**-**	1,270,921
Total	**5,342,083**	6,680,370

As of December 31, 2021 and 2020, cash in banks is as follows:

[ThCh$]

Bank	**Type of currency**	As of December 31, 2021	As at December 31, 2020
Banco Santander	Chilean pesos	**1,134,915**	745,060
Banco Santander	U.S. dollar	**226,357**	173,239
Banco Scotiabank Chile (ex BBVA)	Chilean pesos	**21,579**	63,402
Total		**1,382,851**	981,701

Cash and cash equivalents have no availability restrictions.

The Company has made no investing or financing transactions that do not require the use of cash and cash equivalents

B. Investments

Investments in subsidiaries held at cost

For the preparation of the separate financial statements the Company has used the exemption described in paragraph 4 of IFRS 10, which allows not using the equity method of accounting to recognize investments in subsidiaries in which the entity has control and significant influence provided that certain conditions are met. The Company meets each and every of such conditions as of December 31, 2021 and 2020. The Company's shareholders have authorized the preparation of the separate financial statement because the Company's financial information is included in the consolidated financial statements of its ultimate Parent, Tata Consultancy Services Limited (India), which have been prepared and presented in accordance with IFRS as issued by the IASB, and can be found at the web site: https://www.tcs.com/investor-relations.

Investments in subsidiaries are recognized at cost and relate to:

[ThCh$]

Subsidiary	Country	Shares %	Address
TATASOLUTION CENTER S.A.	Ecuador	**99.0000**	**Francisco Salazar N 10-6. Quito**
Tata Consultancy Services Sucursal del Peru	Peru	**100.0000**	**Av Nicolas Ayllon 2941, 3er Piso, El Agustino, Lima10 - Peru**

The Company determines whether it is necessary to recognize an impairment loss in the subsidiaries. The Company determines at each reporting date whether there is objective evidence that the investment in the subsidiary is impaired; if this is the case, the Company calculates the impairment amount as the difference between the higher of the value in use and fair value of the subsidiary and the acquisition cost and recognizes the amount in the statement of profit or loss.

This caption includes investments in subsidiaries held at cost by the Company. The detail is as follows:

[ThCh$]

			Ownership interest		Carrying amount of the investment	
Taxpayer ID	**Company s Name**	**Country**	**2021 Ownership interest %**	**2020 Ownership interest %**	**2021 Carrying amount**	**2020 Carrying amount**
Foreign	TATA SOLUTION CENTER S.A.	Ecuador	**99.0000**	99.0000	**5,535,701**	5,535,701
Foreign	Tata Consultancy Services Sucursal del Peru	Peru	**100.0000**	100.0000	**5,106,987**	5,106,987
	Total				**10,642,688**	10,642,688

Balances of assets and liabilities in U.S. dollars and Peruvian nuevo sol are translated into Chilean pesos at the exchange rates in force at the closing date. U.S. dollar 2020 (851.79) and 2019 (710.95), Peruvian Nuevo sol 2020 (213.56) and 2019 (196.62)

Changes in investments in subsidiaries held at cost by the Company are as follows:

[ThCh$]

2021						
Taxpayer ID	**Company s Name**	**Country**	**Carrying amounts of the investment as of 01-01-2021**	**Aquisitions**	**Disposals**	**Carrying amounts of the investment as of 31-12-2021**
Foreign	**TATA SOLUTION CENTER S.A.**	**Ecuador**	**5,535,701**	**-**	**-**	**5,535,701**
Foreign	**Tata Consultancy Services Sucursal del Peru**	**Peru**	**5,106,987**	**-**	**-**	**5,106,987**
Foreign	**Technology Outsourcing S.A.C. (1)**	**Peru**	**-**	**-**	**-**	**-**
	Total		**10,642,688**	**-**	**-**	**10,642,688**

[ThCh$]

2020						
Taxpayer ID	Company s Name	Country	Carrying amounts of the investment as of 01-01-2020	Aquisitions	Disposals	Carrying amounts of the investment as of 31-12-2020
Foreign	TATA SOLUTION CENTER S.A.	Ecuador	5,535,701	-	-	5,535,701
Foreign	Tata Consultancy Services Sucursal del Peru	Peru	5,106,987	-	-	5,106,987
Foreign	Technology Outsourcing S.A.C.	Peru	1,147,621	-	(1,147,621.00)	-
	Total		11,790,309	-	(1,147,621.00)	10,642,688

As of December 31, 2021 and 2020, the financial information contained in the financial statements of the companies over which the Company has control is detailed as follows:

At 31.12.2021

[ThCh$]

Taxpayer ID	Company s Name	Country	Assets	Liabilities	Equity	Profit or loss
Foreign	TATA SOLUTION CENTER S.A.	Ecuador	22,400,247	11,862,564	10,537,683	6,356,283
Foreign	Tata Consultancy Services Sucursal del Peru	Peru	10,169,577	7,973,099	2,196,478	795,730

At 31.12.2020 :

[ThCh$]

Taxpayer ID	Company s Name	Country	Assets	Liabilities	Equity	Profit or loss
Foreign	TATA SOLUTION CENTER S.A.	Ecuador	16,734,664	8,365,672	8,368,992	3,043,181
Foreign	Tata Consultancy Services Sucursal del Peru	Peru	8,420,353	7,133,095	1,287,258	34,845

C. Trade and other receivables, current

(a) Trade receivables are detailed as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Trade receivables - Billed	**4,501,000**	3,378,463
Receivables due from related parties - Billed	**721,104**	379,099
Total	**5,222,104**	3,757,562

The fair value of trade receivables corresponds to the same business amounts net of the related allowance for doubtful accounts.

(b) Trade receivables past due, unpaid but not impaired are detailed as follows

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Up to 30 days	**4,781,366**	3,386,701
31 to 60 days	**226,704**	71,176
61 to 180 days	**63,024**	302,876
Over 180 days	**319,478**	164,348
Impairment	**(168,468)**	(167,539)
Total	**5,222,104**	3,757,562

(c) Unbilled trade receivables are detailed as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Trade receivables - Unbilled	**1,914,765**	1,372,771
Trade receivables from related parties - Unbilled	**228,664**	102,921
Total	**2,143,429**	1,475,692

Fair value of unbilled trade receivables corresponds to the same business amotunts net of the related allowance for doubtful accounts.

D. Other financial assets

(a) As of December 31, 2021 and 2020, other current financial assets are as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Accrued interest on loans to related companies	**619,138**	504,580
Cash advances and loans to employees	**13,960**	3,751
Loans to related companies	**-**	-
Other financial assets	**1,612**	2,272
Other financial assets from related parties	**80**	1,975
Total	**634,790**	512,578

(b) As of December 31, 2021 and 2020, other non-current financial assets are detailed as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Loans to related companies	**127,768**	284,698
Totales	**127,768**	284,698

Loans granted to related parties have on-demand maturities and annual simple interest rate between 4% and 6%.

E. Trade payables

As of December 31, 2021 and 2020, trade and other payables are detailed as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Trade payables	**348,687**	572,899
Payables due to related parties	**651,835**	344,982
Other payables	**4,221**	329
Total	**1,004,743**	918,210

F. Other financial liabilities

As of December 31, 2021 and 2020, other current non-financial liabilities are detailed as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Liabilities for contracts with customers	**24,566**	11,844
Liabilities for contracts with related companies	**7,039**	2,012
Other employee benefits	**181,184**	263,335
Total	**212,789**	277,191

G. Other non-financial liabilities

As of December 31, 2021 and 2020, other current non-financial liabilities are detailed as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Employee withholdings	**513,669**	410,398
Payroll tax withholdings	**65,917**	54,399
VAT fiscal debit, net	**250,490**	210,626
Other payables	**12,145**	192,368
Total	**842,221**	867,791

H. Equity disclosures

Subscribed, fully-paid capital and number of shares

As of December 31, 2021 and 2020, the Company's share capital is composed of the following:

Number of shares

[ThCh$]

Series	No. Subscribed	No. Of paid shares	No. Of shares with voting rights
Single	**431,926**	**431,926**	**431,926**

Capital

[ThCh$]

Series	Subscribed capital	Share capital
Single	16,997,134	16,997,134

Capital management is intended to maximize the value for the shareholders, safeguard business continuity, and support the Company's growth. The Company determines capital requirements based on annual operating plans, long-term investment plans and other strategic investment plans. Financing requirements are met through capital and cash flows from operating activities generated. The Company is not subject to any capital requirement imposed externally.

I. Financial assets and financial liabilities

As of December 31, 2021, the carrying amount of financial instruments by category is as follows:

[ThCh$]

	2021	
	Amortized cost	Total carryingamount
Financial assets		
Cash and cash equivalents	**5,342,083**	**5,342,083**
Trade Receivables		
Billed	**5,222,104**	**5,222,104**
Unbilled	**2,143,429**	**2,143,429**
Other current & non-current financial assets	**762,558**	**762,558**
Total	**13,470,174**	**13,470,174**
Financial liabilities		
Trade payables	**1,004,743**	**1,004,743**
Other financial liabilities	**212,789**	**212,789**
Total	**1,217,532**	**1,217,532**

As of December 31, 2020, the carrying amount of financial instruments by category is detailed as follows:

[ThCh$]

	2020	
	Amortized cost	Total carryingamount
Financial assets		
Cash and cash equivalents	6,680,369	6,680,369
Trade Receivables		
Billed	3,757,562	3,757,562
Unbilled	1,475,692	1,475,692
Other current & non-current financial assets	797,275	797,275
Total	12,710,899	12,710,899
Financial liabilities		
Trade payables	918,210	918,210
Other financial liabilities	277,191	277,191
Total	1,195,401	1,195,401

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables (prior year: unbilled revenue), and trade payables as of December 31, 2021 and 2020, approximate their fair value. The difference between carrying amounts and fair values of bank deposits, cash in banks, other financial assets, other financial liabilities and subsequent loans measured at amortized cost is not significant for each period presented.

Fair value hierarchy

Fair value hierarchy is based on valuation techniques used to measure the fair value of observable and unobservable inputs, and includes the following three levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). Fair values are determined totally or in part using a valuation model based on assumptions that are not supported by market transaction prices currently observable in the same instrument or based on available market data.

J. Financial risk management

The Company is mainly exposed to variations in foreign exchange rates, credit, liquidity and interest rate risks that may negatively affect the fair value of its financial instruments. The Company has a risk management policy that covers the risks associated with financial assets and financial liabilities. The risk management policy is approved by the Board of Directors. The approach applied by the risk management committee is to assess the unforeseeability of the financial environment and mitigate the potential negative effects on the Company's financial performance.

(a) Market risk

The Company is exposed to market risk related to the risk of fluctuations in the fair value or future cash flows from a financial instrument because of changes in market prices. Such changes in the value of financial instruments may arise from movements in foreign currency exchange rates, interest rate, credit, liquidity and other changes in the market. The exposure to market risk relates mainly to the currency risk.

(b) Currency risk

The fluctuation of foreign currency exchange rate differences may have a potential effect in the statement of profit or loss and other comprehensive income, where any transaction refers to one or more currencies when assets / liabilities are denominated in a currency that is different from the entity's functional currency.

Considering the economic environment of the country in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in such country. The risks mainly relate to the fluctuations in U.S. dollar against the Company's functional currency.

The exchange rate sensitivity is calculated by adding the net exposure to currency risk and a simultaneous change of parallel exchange rates of all currencies by 10% compared to the Company's functional currency.

The analysis below has been prepared based on the Company's net exposure at the reporting date that may affect the statement of profit or loss and other comprehensive income.

As of December 31, 2021, the information related to the exposure to the currency risk is detailed as follows:

2021	USD	MXN	UF	EUR	COP	PEN
Financial assets, net	**5,980,353**	**46,328**	**734,601**	**(14,473)**	**51,225**	**-**
Financial liabilities, net	**972,871**	**-**	**146,824**	**-**	**-**	**-**

The appreciation / depreciation of 10% of related foreign currencies with respect to the functional currency of the Company would result in a decrease / increase in profit before taxes of approximately ThCh$ 5,678 for the year ended December 31, 2021.

As of December 31, 2020, the information related to the exposure to currency risk is as follows:

2020	USD	MXN	UF	EUR	COP	PEN
Financial assets, net	3,259,803	84,147	1,224,977	19,705	6,108	-
Financial liabilities, net	647,691	1,642	23,240	-	-	642

The appreciation / depreciation of 10% of related foreign currencies with respect to the functional currency of the Company would result in a decrease / increase in profit before taxes of approximately ThCh$ 3,921 for the year ended December 31, 2020.

(c) Interest rate risk

The Company is not exposed to interest rate risk.

(d) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual terms or obligations. Credit risk includes the direct risk of default and impairment of credit quality, as well as the concentration of risks. Credit risk is controlled by the analysis of credit limits and the credit capability of customers on an ongoing basis that have been obtained the credit after receiving the authorizations required.

Financial instruments subject to concentrations of credit risk include mainly trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. As of December 31, 2021, cash and cash equivalents include ThCh$5,342,083 held in a bank located in Chile with a high quality credit rating exceeding individually 10% or more of the Company's total cash and cash equivalents. None of the Company's other financial instruments result in a significant concentration of credit risk.

Exposure to liquidity risk

The carrying amount of financial assets represents the maximum credit exposure. As of December 31, 2021 and 2020, the maximum credit exposure amounted to ThCh$14.051 and ThCh$12.711, respectively, which corresponds to total carrying amount of cash in banks, bank deposits, trade receivables, unbilled revenue, other financial assets and investments.

Trade receivables and contract assets

The exposure to credit risk with respect to trade receivables and contract assets is mainly influenced by individual features of each customer in connection with the practices in the industry and the economic environment in which they operate. The entity limits its exposure to credit risk of trade receivables by establishing a maximum payment period of 272 days for its customers. Subsequent to this, the customers are at default (impaired loan). To manage this risk, the Company has a strong credit management process. The Company has adopted a policy to engage operations only with solvent counterparties. The counterparties' exposure is monitored on a regular basis, and changes to the credit conditions are made as required. The carrying amount of financial assets represents the maximum credit exposure. The Company has derecognized no customer balances, and only a few balances have impaired at the reporting date.

As of December 31, 2021 and 2020, the Company's exposure to customer is diversified; however, certain customers concentrate more than 10% of trade receivables and unbilled revenue:

[ThCh$]

	As of December 31, 2021		As at December 31, 2020	
	Total receivables and provisions for revenue	**%**	**Total receivables and provisions for revenue**	**%**
Customer A	**1,021,088**	**13%**	609,083	11%
Customer B	**968,394**	**12%**	407,872	7%

Geographical concentration of credit risk.

The geographical concentration of trade receivables (gross and net of provisions) and unbilled revenue are detailed as follows:

Geographic concentration of credit	2021 %	2020 %
Ibero-america	**92%**	94%
Other	**8%**	6%

Geographical concentration of trade receivables and unbilled revenue are assigned by the customer location.

The Company uses a provision matrix to measure the expected credit loss from receivables from customers. The expected credit loss is based on credit maturity dates and is detailed as follows:

[ThCh$]

31-12-2021	Weighted -average loss rate	Gross carrying amount	Loss allowance	Credit-impaired
No Due	**0%**	**3,731**	**-**	**No**
1-90	**0%**	**514**	**-**	**No**
91-180	**0%**	**77**	**-**	**No**
181-272	**0%**	**-**	**-**	**No**
>273	**100%**	**-**	**-**	**Yes**

[ThCh$]

31-12-2020	Weighted -average lotss rate	Gross carrying amount	Loss allowance	Credit-impaired
No Due	0%	2,835	-	No
1-90	0%	391	-	No
91-180	2%	41	(1)	No
181-272	14%	-	-	No
>273	100%	-	-	Yes

* The gross carrying amount excludes intercompany receivables

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations. Liquidity risk management is intended to maintain sufficient liquidity and ensure that funds are available for use as per the requirements.

On a regular basis, the Company generated sufficient cash flows from operations to meet its financial obligations as they mature.

The Company addresses no significant liquidity risk related to its lease liabilities, because current assets are sufficient to comply with obligations related to lease liabilities when they mature.

The detail of the contractual maturities of significant financial liabilities is included in the tables below:

[ThCh$]

2021	Expired in 1st year	Expired in 2nd year	Expired in 3rd and 5th year M&	Expired more than 5th year	Total
Non-derivative financial liabilities:					
Trade payables	**1,004,743**	**-**	**-**	**-**	**1,004,743**
Lease liabilities	**939,442**	**723,602**	**1,303,311**	**-**	**2,966,355**
Other financial liabilities	**212,789**	**-**	**-**	**-**	**212,789**
Total	**2,156,974**	**723,602**	**1,303,311**	**-**	**4,183,887**

[ThCh$]

2020	Expired in 1st year	Expired in 2nd year	Expired in 3rd and 5th year M&	Expired more than 5th year	Total
Non-derivative financial liabilities:					
Trade payables	918,210	-	-	-	918,210
Lease liabilities	939,442	939,442	-	-	1,878,884
Other financial liabilities	277,191	-	-	-	277,191
Total	2,134,843	939,442	-	-	3,074,285

5. Balances and transactions with related parties

A. Balances and transactions with related parties

(a) Trade receivables – Billed

Current [ThCh$]

Taxpayer ID	Company s Name	Relationship	As of December 31, 2021	As at December 31, 2020
Foreign	Tata Consultancy Services De Mexico S.A., De C.V.	Common shareholder	**23,369**	56,011
Foreign	Tata Consultancy Services Colombia	Common shareholder	**87,568**	6,108
Foreign	Tata Consultancy Services Limited (india)	Ultimate Parent	**610,167**	316,980
	Total		**721,104**	379,099

(b) Payables

Current [ThCh$]

Taxpayer ID	Company s Name	Relationship	As of December 31, 2021	As at December 31, 2020
Foreign	Tata Consultancy Services Limited	Ultimate Parent	**174,361**	244,303
77.879.360-1	TCS Inversiones Chile Limitada	Parent	**66,951**	55,323
Foreign	Tata Consultancy Services De Mexico S.A., De C.V.	Common shareholder	**107,013**	32,130
Foreign	MGDC S.A.	Common shareholder	**2,598**	2,171
Foreign	Tata Consultancy Services Sucursal del Peru	Branch	**143,942**	642
Foreign	Tata Consultancy Services Colombia	Common shareholder	**22,950**	10,413
Foreign	TCS Solution Center S.A.		**8,911**	
Foreign				
	Total		**526,726**	344,983

(c) Trade receivables – Unbilled

Current [ThCh$]

Taxpayer ID	Company s Name	Relationship	As of December 31, 2021	As at December 31, 2020
Foreign	Tata Consultancy Services Limited	Ultimate Parent	**55,841**	74,785
77.879.360-1	Tata Consultancy Services De Mexico S.A., De C.V.	Common shareholder	**22,959**	28,137
Foreign	Tata Consultancy Services Colombia	Common shareholder	**17,497**	–
	Total		**96,297**	102,922

(d) Unearned trade receivables

Current [ThCh$]

Taxpayer ID	Company s Name	Relationship	As of December 31, 2021	As at December 31, 2020
Foreign	Tata Consultancy Services Limited	Ultimate Parent	**32,810**	21,214
	Total		**32,810**	21,214

(e) Loans receivable

[ThCh$]

			Current		Non Current	
Taxpayer ID	**Company's Name**	**Relationship**	**As of December 31, 2021**	**As at December 31, 2020**	**As of December 31, 2021**	**As at December 31, 2020**
77.879.360-1	TCS Inversiones Chile Limitada	Parent	**-**	-	**127,768**	284,698
	Total		**-**	**-**	**127,768**	284,698

(f) Interest receivable

[ThCh$]

			Current		Non Current	
Taxpayer ID	**Company's Name**	**Relationship**	**As of December 31, 2021**	**As at December 31, 2020**	**As of December 31, 2021**	**As at December 31, 2020**
77.879.360-1	TCS Inversiones Chile Limitada	Parent	**18,156**	3,564	-	-
Foreign	Tata Consultancy Services Sucursal del Peru	Branch	**599,597**	501,016	-	-
	Total		**617,753**	504,580	**-**	**-**

(g) Other current financial assets

[ThCh$]

			Current	
Taxpayer ID	**Company's Name**	**Relationship**	**As of December 31, 2021**	**As at December 31, 2020**
Foreign	Tata Consultancy Services Limited	Ultimate Parent	**80**	1,975
	Total		**80**	1,975

(h) Other current financial liabilities

[ThCh$]

Taxpayer ID	Company's Name	Relationship	Current: As of December 31, 2021	Current: As at December 31, 2020
Foreign	Tata Consultancy Services Limited	Ultimate Parent	**7,039**	370
77.879.360-1	Tata Consultancy Services De Mexico S.A., De C.V.	Common shareholder	**-**	1,642
	Total		**7,039**	2,012

Transactions among the Company and its related parties correspond to customary operations in terms of their objective and conditions.

Balances receivable and payable are mainly expressed in U.S. dollars and for interest-bearing loans of an approximate annual average rate ranging from 4% to 6% not associated with a repayment schedule, the classification is based on the expected collection period of such accounts receivable.

For 2021, current receivables mainly relate to trade receivables of ThCh$5.222.104 (services rendered), other current financial assets of ThCh$ 634.790 (loans and interests) while for 2020 this item mainly relates to trade receivables of ThCh$3.757.562 (services rendered), other current financial assets of ThCh$ 512.578 (loans and interests).

Non-current receivables relate to other non-current financial assets of ThCh$ 127.768 and ThCh$ 284.698 for 2021 and 2020, respectively (loans and interests).

Intercompany payables mainly relate to trade payables of ThCh$ 651.836 and ThCh$ 344.983 for 2021 and 2020, respectively (services rendered).

[ThCh$]

			As of December 31, 2021		As at December 31, 2020	
Company	**Relationship**	**Transaction description**	**Amount**	**Credt/ (debit) to profit or loss**	**Amount**	**Credt/ (debit) to profit or loss**
Tata Consultancy Services Limited	Ultimate Parent	Purchase of services	**782,822**	**(782,822)**	366,484	(366,484)
		Expense reimbursement	**196,703**	**(196,703)**	232,144	(232,144)
		Overhead services	**748,335**	**(748,335)**	658,977	(658,977)
		Revenue from operations	**2,633,209**	**2,633,209**	1,757,284	1,757,284
TCS Inversiones Chile Limitada	Parent	Loan repayment	**188,289**	**-**	228,929	-
		Interest income	**12,267**	**12,267**	31,203	31,203
		Overhead services	**258,226**	**(258,226)**	232,064	(232,064)
		Expense reimbursement	**-**	**-**	623	(623)
TCS Iberoamerica S.A.	Parent	Dividends paid	**8,648,889**	**-**	-	-

			As of December 31, 2021		As at December 31, 2020	
Company	**Relationship**	**Transaction description**	**Amount**	**Credt/ (debit) to profit or loss**	**Amount**	**Credt/ (debit) to profit or loss**
		Dividends paid	**20**	**-**	-	-
Tata Consultancy Services Sucursal del Peru	Sucursal	Loan repayment	**-**	**-**	275,717	-
		Interest income	**-**	**-**	12,257	12,257
		Expense reimbursement	**-**	**-**	-	-
		Purchase of services	**138,083**	**(138,083)**	-	-
Tata Sons Private Limited	Common shareholders	Use of brand	**74,849**	**(74,849)**	66,566	(66,566)
Tata Consultancy Services Colombia	Common shareholders	Expense reimbursement	**-**	**-**	10,590	(10,590)
		Revenue from operations	**153,946**	**153,946**	87,510	87,510
		Purchase of services	**35,307**	**(35,307)**	-	-
MGDC S.C.	Common shareholders	Expense reimbursement	**-**	**-**	-	-
Tata Consultancy Services De Mexico S.A., De C.V.	Common shareholders	Revenue from operations	**335,261**	**335,261**	348,000	348,000
		Purchase of services	**269,047**	**(269,047)**	30,792	(30,792)
Tata Consultancy Services Do Brasil Ltda.	Common shareholders	Expense reimbursement	**-**	**-**	-	-
TATASOLUTION CENTER S.A.	Subsidiary	Dividends Income	**5,625,081**	**5,625,081**	-	-
TCS Solution Center S.A.	Common shareholders	Purchase of services	**53,464**	**(53,464)**	-	-

6. Income tax assets (net)

A. As of December 31, 2021 and 2020, current tax assets are as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Monthly provisional income tax payments	**364,789**	425,984
Credit for training expenses	**-**	1,100
Credit from profits of Per and other credit	**284,665**	187,196
Credit from dividends of Ecuador	**2,025,029**	-
Provision for income tax	**(2,326,283)**	(19,306)
Total	**348,200**	594,974

B. As of December 31, 2021 and 2020, non-current tax assets are as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Remaining balance from prior year	**1,463,055**	1,463,055
Credit for training expenses	**(1,096,711)**	-
Total	**366,344**	1,463,055

IFRIC 23 Interpretation Uncertainty over Income Tax Treatment

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

7. Non-financial assets and liabilities

A. Furniture and equipment

The cost of items of furniture and equipment comprises their acquisition cost plus any other costs directly attributable to bringing the assets to a working condition for their intended use as foreseen by Management and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located. Financial cost is capitalized in accordance with IAS 23.

Repair, preservation and maintenance expenses are expensed in profit or loss in the period in which they are incurred. Note that certain items of furniture and equipment of Tata Consultancy Services Chile S.A. require regular reviews. In this sense, the items that are replaced are recognized separately from the rest of the asset and with a disaggregation level which allows their amortization in the period between the present and next repair.

Expansion, modernization and improvement costs that represent an increase in productivity, capacity or efficiency, or an increase in the useful life, are capitalized as an increase in the value of the assets.

The gain or loss from selling or retirement of an asset is calculated as the difference between the price obtained from the sale and the carrying amount in the accounting records with a debit or credit to profit or loss for the period.

Depreciation

Items of furniture and equipment are depreciated using the straight-line method by distributing the acquisition cost of the assets less their estimated residual value over the estimated useful lives of assets.

The residual value and useful life of items of furniture and equipment are reviewed on an annual basis, and depreciation starts when assets are brought to working condition for their intended use.

The main items of property, plant and their related useful lives are shown below:

	Financial useful life (years)
Furniture and supplies	5
Computers and Equipment	4
Electrical and air conditioning equipment	10
Archive installations	10

Depreciation, continued

Land is recognized separately from the buildings or facilities that may stand on them, it has an indefinite life and, accordingly, it is not depreciated.

Tata Consultancy Services Chile S.A., at least annually, assesses the existence of a possible impairment of assets in furniture and equipment. Any reversal of the impairment loss is recognized in profit or loss, where applicable.

Impairment

Furniture and equipment with a limited useful life are assessed to recover them as long as there is any indication that their carrying amount may not be recoverable. Should such indication exist, the recoverable amount (i.e. the higher of its fair value less costs to sell and its value in use) is determined based on an individual asset, unless such asset generates no cash inflows that are largely independent 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 lower than its carrying amount, then the asset's carrying amount (or CGU) is reduced to its recoverable amount. Impairment losses are recognized in profit or loss.

(a) Detail

The detail by class of furniture and equipment at each year-end, net and gross, is as follows:

(ThCh$)

lasses of furniture and equipment, net	As of December 31, 2021	As at December 31, 2020
IT equipment	**492,833**	400,200
Office equipment	**107,618**	121,340
Assets under construction	**4,229**	13,567
Furniture and fixtures	**118,999**	114,217
Machinery	**43,365**	67,194
Electrical installations	**39,251**	20,899
Leasehold improvements	**302,309**	264,527
Total furniture and equipment, net	**1,108,604**	1,001,944

(ThCh$)

Classes of furniture and equipment, gross	As of December 31, 2021	As at December 31, 2020
IT equipment	**6,989,555**	6,686,579
Office equipment	**867,500**	843,076
Assets under construction	**4,229**	13,567
Furniture and fixtures	**707,720**	667,929
Machinery	**2,051,753**	2,051,753
Electrical installations	**202,903**	181,053
Leasehold improvements	**1,161,210**	1,068,279
Total furniture and equipment, gross	**11,984,870**	11,512,236

(ThCh$)

Types of accumulated depreciation and impairment of furniture and equipment	As of December 31, 2021	As at December 31, 2020
IT equipment	**(6,496,722)**	(6,286,379)
Office equipment	**(759,881)**	(721,736)
Furniture and fixtures	**(588,721)**	(553,712)
Machinery	**(2,008,387)**	(1,984,559)
Electrical installations	**(163,652)**	(160,154)
Leasehold improvements	**(858,901)**	(803,752)
Total accumulated depreciation and impairment of furniture and equipment	**(10,876,266)**	(10,510,292)

(b) Movements

Accounting movements in accumulated depreciation of furniture and equipment for the years ended December 31, 2021 and 2020 are as follows:

[ThCh$]:

	IT equipment	Office equipment	Assets under construction	Furniture and fixture	Machinery	Electrical installations	Improvements in leased property	Property, plant and equipment, net
Opening balance as of January 1, 2021 (net of accumulted depreciation)	**400,200**	**121,340**	**13,567**	**114,217**	**67,194**	**20,899**	**264,527**	**1,001,944**
Acquisitions	**302,976**	**24,423**	**(9,338)**	**39,791**	**-**	**21,850**	**92,932**	**472,634**
Sales and disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation expense	**(209,423)**	**(37,982)**	**-**	**(34,938)**	**(23,829)**	**(3,403)**	**(55,150)**	**(364,723)**
Other increases/ (decreases)	**(920)**	**(163)**	**-**	**(71)**	**-**	**(96)**	**-**	**(1,250)**
Net property, plant and equipment as of December 31, 2021	**492,833**	**107,619**	**4,229**	**118,999**	**43,365**	**39,251**	**302,309**	**1,108,604**
Total net property, plant and equipments as of December 31, 2021	**492,833**	**107,619**	**4,229**	**118,999**	**43,365**	**39,251**	**302,309**	**1,108,604**

	IT equipment	Office equipment	Assets under construction	Furniture and fixture	Machinery	Electrical installations	Improvements in leased property	Property, plant and equipment, net
Opening balance as of January 1, 2020 (net of accumulted depreciation)	404,832	73,650	58,651	70,808	105,089	25,301	-	738,331
Acquisitions	232,585	89,067	(45,084)	75,288	-	4,305	278,783	634,944
Sales and disposals	(8,645)	(9,842)	-	(5,493)	(4,868)	-	-	(28,848)
Depreciation expense	(228,572)	(34,325)	-	(23,596)	(33,027)	(8,707)	(14,256)	(364,723)
Other increases/ (decreases)	-	2,790	-	(2,790)	-	-	-	-
Net property, plant and equipment as of December 31, 2020	400,200	121,340	13,567	114,217	67,194	20,899	264,527	1,001,944
Total net property, plant and equipments as of December 31, 2020	400,200	121,340	13,567	114,217	67,194	20,899	264,527	1,001,944

The total depreciation expense for 2021 and 2020 amounts to ThCh$1188.837 and ThCh$1168.165, respectively, and is classified within the caption Depreciation expense in the separate statements of comprehensive income per nature.

Accounting movements in gross furniture and equipment for the years ended December 31, 2021 and 2020 are as follows:

[ThCh$]

	IT equipment	Office equipment	Assets under construction	Furniture and fixture	Machinery	Electrical installations	Improvements in leased property	Property, plant and equipment, net
Opening balance as of January 1, 2021	**6,686,579**	**843,077**	**13,567**	**667,929**	**2,051,753**	**181,053**	**1,068,279**	**11,512,236**
Acquisitions	**302,976**	**24,423**	**(9,338)**	**39,791**	**-**	**21,850**	**92,932**	**472,634**
Sales and disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other increases/ (decreases)	**-**	**-**	**-**	**-**		**-**	**-**	**-**
Total of gross property, plant and equipments as of December 31, 2021	**6,989,555**	**867,500**	**4,229**	**707,720**	**2,051,753**	**202,903**	**1,161,210**	**11,984,870**
Opening balance as of January 1, 2020	6,532,120	805,054	58,651	603,983	2,099,365	176,748	827,984	11,103,904
Acquisitions	232,585	89,067	-	75,288	-	4,305	232,906	634,151
Sales and disposals	78,126)	(53,835)	-	(8,551)	(47,612)	-	-	(188,124)
Depreciation expense	-	-	-	-	-	-	4,510	4,510
Other increases/ (decreases)	-	2,790	(45,084)	(2,790)	-	-	2,878	(42,206)
Total of gross property, plant and equipments as of December 31, 2020	6,686,579	843,077	13,567	667,929	2,051,753	181,053	1,068,279	11,512,236

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Accounting movements in accumulated depreciation of furniture and equipment for the years ended December 31, 2021 and 2020 are as follows:

[ThCh$]

IT equipment	IT Equipment	Office equip-ment	Furniture and fixtures	Machinery	Electrical installations	Leasehold Improve-ments	Property, plant and equipment, net
Opening balance of accumulated depreciation as of January 1, 2021	**6,286,379**	**721,736**	**553,712**	**1,984,559**	**160,154**	**803,752**	**10,510,292**
Acquisitions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sales and disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation expense	**209,423**	**37,982**	**34,938**	**23,829**	**3,403**	**55,150**	**364,724**
Other increases/ (decreases)	**920**	**163**	**71**		**96**		**1,249**
Net property, plant and equipment asof December 31, 2021							
Total accumulated depreciation asof December 31, 2021	**6,496,721**	**759,881**	**588,721**	**2,008,388**	**163,653**	**858,902**	**10,876,265**

[ThCh$]

IT equipment	IT Equipment	Office equip-ment	Furniture and fixtures	Machinery	Electrical installations	Leasehold Improve-ments	Property, plant and equip-ment, net
Opening balance as of January 1, 2020 (accumulated depreciation)	6,127,288	731,404	533,175	1,994,276	151,447	827,984	10,365,574
Acquisitions	-	-	-	-	-	-	-
Sales and disposals	(69,481)	(43,993)	(3,059)	(42,743)	-	(38,489)	(197,765)
Depreciation expense	228,572	34,325	23,596	33,026	(8,707)	14,257	342,483
Other increases/ (decreases)	-	-	-	-	-	-	-
Net property, plant and equipment as of December 31, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total accumulated depreciation as of December 31, 2020	6,286,379	721,736	553,712	1,984,559	160,154	803,752	10,510,292

(c) Additional information

(i) Insurance

The Company has entered into insurance policies to cover the possible risks to which the different elements of furniture and equipment may be exposed to, as well as possible claims that might be presented due to the exertion of its activity; these policies sufficiently cover the risks to which they are exposed to.

(ii) Depreciation cost

The depreciation of assets is calculated using the straight-line method during their economic useful life.

Such useful life has been determined based on the expected natural impairment, technical or business obsolescence from changes and/or improvements in production and changes in the market demands of products obtained from operations of such assets.

(iii) Operating leases

TCS records properties and equipment leased under operating lease agreements. Most lease agreements include renewal and escalation clauses. Rental expenses from operating leases amounted to MCh$ 16 and MCh$ 25 in fiscal years 2021 and 2020, respectively.

Below there is a summary of future minimum lease rental commitments for operating leases:

Supplier 2021	Concept	UF value annual	Beginning date	Completion date	Concept
Sociedad lautaro Rios e hijos Ltda.	**Leasehold of Valparaiso's branch**	**480**	**12-02-2021**	**12-02-2022**	**Automatically renewable for a 1-year period.**
2020					
Sociedad lautaro Rios e hijos Ltda.	Leasehold of Valparaiso's branch	480	12-02-2020	12-02-2021	Automatically renewable for a 1-year period.

Future commitments are as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Leasehold of properties		
Upto a year	**14.888**	13.954
Betweena year andf ive years	**-**	-
More than five years	**-**	-
Total	**14.888**	13.954

B. Goodwill

Goodwill represents the positive difference between the acquisition cost and the fair value of the identifiable assets acquired, liabilities and contingent liabilities of the acquiree. Goodwill is initially measured at cost and subsequently measured at cost less impairment losses, if any. Goodwill is reviewed annually for the existence of any impairment indications or more frequently if events or changes in circumstances exist indicating that the carrying amount may be impaired.

Impairment

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Relates to goodwill generated as a result of the acquisition of Comicrom S.A. in 2005.

On November 7, 2005, Tata Consultancy Services BPO Chile S.A. (formerly, Tata Consultancy Services (TCS) Chile Ltda.) acquired from Opencrom S.A., 99.99% of ownership interest in Comicrom S.A. The initial balance paid amounted to ThCh$12,099,597 (historical amount), generating an initial goodwill of ThCh$8,584,142 (historical amount) at such date.

The Company determined the fair value of assets and liabilities of the acquiree based on the purchase assessment process, requiring the involvement of external professional specialists, who issued a report on March 10, 2006. Such report determined that no significant differences existed between the initial assessment of the fair value of the acquiree's assets and liabilities and the amount reported by the external specialists.

The purchase and sale contract for the property of Comicrom S.A. included price adjustment provisions subject to the compliance with certain financial ratios until 2010, which were part of the final determination of the price paid and goodwill.

As of December 31, 2021 and 2020, goodwill amounting to ThCh$17,720,950 has been allocated to the Tata Consultancy Services Chile S.A. cash-generating unit. The company makes an estimate of the value in use of the Tata Consultancy Services Chile S.A. cash-generating unit based on future cash flows using an annual growth rate of 3% after a forecast of five years considering a discount rate of 8.63%. A sensitivity analysis of changes in measurement parameters (operating margin, discount rate and average long-term growth rate) based on assumptions fairly probable has identified no probable scenario where recoverable amounts of the cash-generating unit may decrease to less than the carrying amount.

C. Other non-current assets

The other non-current assets as of December 31, 2021 and 2020, respectively, are detailed below:

[ThCh$]

	As of December 31, 2021	As of December 31, 2020
Security Deposit	**29,558**	12,042
Total	**29,558**	12,042

D. Other current assets

The detail of other current non-financial assets as of December 31, 2021 and 2020, is as follows:

[ThCh$]

Prepayments	As of December 31, 2021	As at December 31, 2020
Prepayments	**105,579**	55,782
Contractual assets	**581,599**	453,513
Total	**687,178**	509,295

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The movement in the contract assets is given below:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Opening balance as of January 1, 2021	**453,513**	1,732,894
Recognized revenue at the beginning of the period	**(441,512)**	2,250,423
Increase due to invoicing during the year, excluding amounts recognized as revenue during the year.	**558,163**	(3,558,681)
Foreign currency translation differences	**11,435**	28,877
Closing balance as of December 31, 2021	**581,599**	453,513

E. Other non financial liabilities

The detail of the other current non-financial liabilities as of December 31, 2021 and 2020, is as follows:

[ThCh$]

Currents	As of December 31, 2021	As at December 31, 2020
Employee withholdings	**513,669**	410,398
Payroll tax withholdings	**65,917**	54,399
VAT fiscal debit, net	**250,490**	210,626
Other payables	**12,145**	192,368
Total	**842,221**	867,791

8. 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.

As a lessee

- The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component based on the stand-alone price related to the lease component and the aggregate stand-alone price of non-lease components.
- The Company recognizes the right-of-use asset that represents its right to use the underlying asset during the lease term on the commencement date of the lease. The cost of the right-of-use asset measured at inception shall comprise the amount of the initial measurement of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are subsequently measured at cost less any accumulated depreciation or accumulated impairment losses, if any, and are adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated using the straight-line method starting from the commencement date over the shorter of the lease term or the useful life of the right-of-use asset. Estimated useful lives of right-of-use assets are determined on the same basis as those of furniture and equipment. Right-of-use assets are tested for impairment when there is evidence that the carrying amount may not be recoverable. Impairment losses, if any, are recognized in profit or loss.

- The Company measure the lease liability at the present value of lease payments that are not paid at the commencement date of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If this rate cannot be readily determined, the Company shall use its incremental borrowing rate. For leases with reasonably similar characteristics, the Company may adopt, on a lease-by-lease basis, the incremental borrowing rate specific for the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments will include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option if the Company is reasonably certain to exercise that option and payment 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 increasing the carrying amount to reflect the interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognizes the amount of the remeasurement of the lease liability due to the modification as an adjustment to the right-of-use asset and profit or loss, depending on the nature of the modification. When the carrying amount of the right-of-use asset is reduced to zero and there is further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the remeasurement in profit or loss.
- The Company has elected not to apply the requirements of IFRS 16 to leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use assets owned by the Company are detailed as follows:

[ThCh$]

	Acquisitions for 2021	Net carrying amount for 2021	Acquisitions for 2020	Net carrying amount for 2020
Leased land	**-**	**-**	-	-
Buildings	**-**	**2,566,274**	-	3,389,138
Leasehold improvements	**-**	**-**	-	-
Computer equipment	**-**	**-**	-	-
Furniture, fixtures, office equipment and other assets	**-**	**-**	-	-
Total	**-**	**2,566,274**	-	3,389,138

The depreciation of the right-of-use asset is as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Leased land	**-**	-
Buildings	**822,863**	825,681
Leasehold improvements	**-**	-
Computer equipment	**-**	-
Furniture, fixtures, office equipment and other assets	**-**	-
Total	**822,863**	825,681

Amounts recognized in the statement of profit or loss

[ThCh$]

	As of December 31,2021	As at December 31, 2020
Depreciation	**822,863**	825,681
Interest on the lease liability	**121,524**	152,419
Expenses related to short-term leases and leases of low value assets	**28,074**	27,504
Income from subleases of right-of-use assets	-	-

Amounts recognized in the statement of cashflows

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Total cash outflows for leases	**939,442**	**966,946**

The leasing contracts entered into by the Company mainly refer to buildings leased to carry out its business in the ordinary course. The Company has no lease restrictions and commitment to equities under the contract.

Current and non-current lease liabilities are detailed as follows:

Supplier	Currency	Rate	Beginning date	Termination date	Nominal value	Carrying amount
Bello Monte	Ch$	3,89%	**Nov-17**	Dec-25	**2,606,621**	2,418,152
Orinoco 150	Ch$	3,78%	**Apr-18**	Mar-23	**111,641**	107,201
Orinoco 720	Ch$	3,78%	**Apr-18**	Mar-23	**297,711**	291,255
	Total				**3,015,973**	2,816,608

9. Income tax and deferred taxes

Income tax expense comprises the current income tax expense and net variation in the deferred income tax asset or liability during the year. Current taxes and deferred taxes are recognized in profit or loss, except when they relate to items recognized in other comprehensive income or directly recognized in equity, in which case they are also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes

Current income tax is based on the tax profit for the year, and is calculated using the tax rates enacted at the reporting date.

Prepaid taxes and current income tax provisions are recognized in the statement of financial position upon offsetting such prepaid taxes and income tax provisions generated from the same tax jurisdiction and where the relevant tax payment unit is aimed at settling the asset and liability on a net tax basis.

Deferred taxes

The Company recognizes deferred taxes using the statement of position method. Deferred taxes are obtained from temporary differences between the tax base of assets and liabilities, and their reported amounts in the financial statements.

Deferred tax assets and liabilities are measured using substantially enacted tax rates or rates expected to be applied on taxable income in the years the Company expects to receive them or the temporary differences are settled. Deferred tax assets and liabilities are offset when they relate to the income taxes collected by the same tax authority and the relevant company intends to settle its assets and liabilities on a net tax basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and discounted to the extent that it is not probable that sufficient taxable profit will be available to allow the use of a portion or all that deferred tax asset.

A. Income tax recognized in profit or loss for the year

[ThCh$]

Income tax (expenses) benefit	As of December 31, 2021	As at December 31, 2020
Adjustment to prior period current tax	**55,092**	39,147
Other current tax income/(expenses)	**(1,538,114)**	131,254
Current tax expenses	**(1,483,021)**	170,401
Deferred tax income/expenses related to the generation and reversal of temporary differences for current tax	**-**	-
Deferred tax income/(expenses)	**(99,478)**	183,518
Total	**(1,582,499)**	353,919

B. Reconciliation of accounting profit or loss to taxable profit or loss

[ThCh$]

Reconciliation of tax expenses using the legal rate to tax expenses using the effective rate	As of December 31, 2021	As at December 31, 2020
Profit before tax	**10,122,856**	(888,758)
Effective tax rate	**27.0%**	27.0%
Tax expense using the legal rate	**(2,733,171)**	239,965
Income with tax credit from foreign source	**261,804**	150,561
Adjustment of prior year tax determination	**55,092**	39,147
Change in deferred taxes	**(401,505)**	(75,754)
Dividends received from foreign source	**1,235,281**	-
Tax income using the effective rate	**(1,582,499)**	353,919

On September 29, 2014, Law No. 20.780 was enacted in Chile, establishing a permanent change in the corporate income tax rate of 21% starting from 2014, up to a 27% starting from 2019.

On January 27, 2016, the Act that simplifies the tax reform was passed, which is intended to simplify the income tax system in force from 2017; make adjustments to the value-added tax; as well as to the anti-circumvention rules. Concerning tax system, the proposed amendment considers that Shareholders' corporations (openly and closely held), as in the case of the Company should always be taxed according to the partially-integrated system. Later, this system will be the general taxation regime for companies beginning from the commercial year 2017.

C. Deferred taxes

As of December 31, 2021 and 2020, the detail of accumulated balances of deferred tax assets and liabilities is as follows:

[ThCh$]

	2021	2020
Recognized deferred tax liabilities related to:		
Accrued vacations	**576,769**	521,809
Adoption of IFRS 16	**55,035**	53,700
Other	**337,178**	484,191
Total deferred taxes	**968,982**	1,059,700
Recognized deferred tax liabilities related to:		
Furniture and equipment	**(106,731)**	(97,971)
Net amount	**862,251**	961,729

D. Movement in deferred taxes

As of December 31, 2021 and 2020, the detail of movements in deferred tax assets and liabilities is as follows:

[ThCh$]

2021	Opening balance	Effects recognized in profit or loss	Closing balance
Recognized deferred tax assets related to:			
Goodwill from inventories	-	-	-
Accrued vacations	**521,809**	**54,960**	**576,769**
Adoption of IFRS 16	**53,700**	**1,335**	**55,035**
Other	**484,191**	**(147,013)**	**337,178**
Total deferred tax assets	**1,059,700**	**(90,718)**	**968,982**
Recognized deferred tax liabilities related to:			
Furniture and equipment	**(97,971)**	**(8,760)**	**(106,731)**
Net balance as of December 31, 2021	**961,729**	**(99,478)**	**862,251**

[ThCh$]

2020	Opening balance	Effects recognized in profit or loss	Closing balance
Recognized deferred tax assets related to:			
Goodwill from inventories	-	-	-
Accrued vacations	445,440	76,369	521,809
Adoption of IFRS 16	43,262	10,438	53,700
Other	393,677	90,514	484,191
Total deferred tax assets	882,379	177,321	1,059,700
Recognized deferred tax liabilities related to:			
Furniture and equipment	(104,167)	6,196	(97,971)
Net balance as of December 31, 2020	778,212	183,517	961,729

10. Employee benefits

A. Provision for employee benefits

As of December 31, 2021 and 2020, this caption is detailed as follows:

[ThCh$]

	As of December 31, 2021	2020
Vacations	**2,136,180**	1,932,624
Others	**30,632**	56,390
Total	**2,166,813**	1,989,014

B. Movements in employee benefits

[ThCh$]

2021	Other assingments	Accrued vacations	Total
Opening balance	**56,390**	**1,932,624**	**1,989,014**
Movements:			
Additional obligations	**28,412**	**1,428,231**	**1,456,643**
Obligations used	**(54,169)**	**(1,224,675)**	**(1,278,844)**
Total movements	**(25,757)**	**203,556**	**177,799**
Closing balance as of December 31, 2021	**30,633**	**2,136,180**	**2,166,813**

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[ThCh$]

2020	Other assingments	Accrued vacations	Total
Opening balance	8,022	1,649,777	1,657,799
Movements:			
Additional obligations	56,390	1,219,265	1,275,655
Obligations used	(8,022)	(936,418)	(944,440)
Total movements	48,368	282,847	331,215
Closing balance as of December 31, 2020	56,390	1,932,624	1,989,014

11. Deferred revenue

As of December 31, 2021 and 2020, deferred revenue as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Services invoiced in advance	**325,334**	795,772
Services invoiced in advance from related companies	**21,214**	3,153
Total	**346,548**	798,925

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Opening balance as of December 31, 2020	**798,925**	598,589
Recognized revenue at the beginning of the period	**(602,698)**	(159,034)
Increase due to invoicing during the year, excluding amounts recognized as revenue during the year.	**197,820**	380,115
Foreign currency translation differences	**(47,500)**	(20,745)
Closing balance as of December 31, 2021	**346,548**	798,925

12. Dividends paid

The distribution of dividends to the shareholders is recognized as a liability at the end of each year in the separate financial statements, based on the dividend policy established in the bylaws and by the shareholders at the Ordinary General Shareholders' Meeting.

Dividends of ThCh$8,648,909 relate to dividends paid with a debit to retained earnings as of December 31, 21.

No dividends were paid during previous year.

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13. Operating profit

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognized 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 recognized upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customization services rendered significantly modifies or customizes the software, these services and software are accounted for as a single performance obligation and revenue is recognized over time on a POC method.

Revenue from the sale of distinct third-party hardware is recognized at the point in time when control is transferred to the customer.

The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third-party products is recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes 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 recognized when there is excess of revenue 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 recognized 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 Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The disaggregation of revenue per nature industry is as follows:

[ThCh$]

	Year ended December 31, 2021	Year ended December 31, 2020
Consulting services	**38,096,097**	32,253,203
Sale of equipment and software licences	**98,306**	8,918
Total	**38,194,404**	32,262,121

The disaggregation of revenue per industry is as follows:

[ThCh$]

Industry Verticals	Year ended December 31, 2021	Year ended December 31, 2020
Banking, finance and insurance	**29,559,202**	24,914,612
Manufacture	**1,220,442**	388,038
Retail and consumer products	**2,260,823**	1,823,322
Communication, Media and Technology	**3,025,147**	3,145,457
Other	**2,128,790**	1,990,692
Total	**38,194,404**	32,262,121

The disaggregation of revenue per geography is as follows:

[ThCh$]

Geographic location	Year ended December 31, 2021	Year ended December 31, 2020
Ibero-America	**38,194,404**	32,262,121
Total	**38,194,404**	32,262,121

Geographical revenue is allocated based on customers' location.

Although the Company discloses the aggregate amount of the transaction price not yet recognized as revenue for unsatisfied (or partially satisfied) performance obligations, along with the expected time to recognize revenue, the Company has applied the practical expedient included in IFRS 15.

Accordingly, the Company has not disclosed the aggregated transaction price allocated to the unsatisfied (or partially satisfied) performance obligations that relate to contracts in which recognized revenue corresponds to the value transferred to the client that generally involves time and materials, result-based contracts and events.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors, such as terminations, changes in the scope of the contract, periodic revalidation of estimates, economic factors (changes in the exchange rates, tax laws, etc.). The aggregated amount of the transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ThCh$ 8,210,489 from which 57% is expected to be recognized as revenue in the next year and subsequent balance. All considerations related to contracts with customers are included in the aforementioned amount.

Changes in unearned and deferred revenue are disclosed in Note 11.

14. Finance income and other income

As of December 31, 2021 and 2020, finance income and other income is as follows:

[ThCh$]

	2021	2020
Interest from loans granted to related companies and other	**12,267**	43,460
Interest on Deposits with Banks	**4,832**	5,598
Interest on Income Tax Refunds	**51,153**	-
Interest on Loans - Others	**53**	-
Dividend from Subsidiary Companies	**5,625,081**	-
Totals	**5,693,386**	49,058

15. Other operating expenses

As of December 31, 2021 and 2020, other operating expenses are as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Leases	**87,328**	45,188
Data transmissions circuits (communications)	**745,493**	1,198,027
Facilities expenses	**466,337**	524,706
Marketing and advertising	**26,908**	19,012
Office and other expenses	**3,224,783**	2,209,226
Subcontractors expenses	**1,629,098**	1,497,849
Travel expenses	**105,652**	177,711
Notary and municipal expenses	**116,292**	162,995
Advisory services expenses	**92,694**	138,859
Bad debts and advances written off, allowances for doubtful trade receivable and advances (Net)	**-**	167,203
Other expenses	**102,459**	93,127
Totals	**6,597,044**	6,233,903

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16. Expenses by function

As of December 31, 2021 and 2020, expenses by function are detailed as follows:

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Salaries and employee benefits	**26,897,608**	25,500,855
Other operating expenses	**6,597,044**	6,233,903
Depreciation and amortization expenses	**1,188,837**	1,168,164
Total	**34,683,489**	**32,902,922**

17. Foreign currency translation difference

[ThCh$]

	As of December 31, 2021	As at December 31, 2020
Receivables due from/Payables due to related companies	**38,194**	(82,546)
Other foreign currency translation differences*	**1,028,876**	(33,649)
Total	**1,067,071**	**(116,195)**

Other differences generated by cash available, receivables and payables in foreign currency.

18. Guarantees committed with third parties

As of December 31, 2021, collaterals and commitments relate to performance bonds issued by Scotiabank Chile (Formerly - BBVA) and Santander, which are detailed as follows:

Customer	Currency	2022	2023	2024	Total
Banco del Estado de Chile	**CLP**	**24,600,000**	**-**	**-**	**24,600,000**
Banco del Estado de Chile	**UF**	**6,637**	**-**	**397**	**7,034**
Banco Santander Chile	**UF**	**2,750**	**1,139**	**-**	**3,889**
CAT Administradora de Tarjetas S.A.	**UF**	**915**	**-**	**-**	**915**
Direccion de compras y contratacion publica	**CLP**	**250,000**	**-**	**-**	**250,000**
Santander Corredora de Seguros Limitada	**UF**	**1,300**	**-**	**-**	**1,300**
Santander Factoring S.A.	**UF**	**1,300**	**-**	**-**	**1,300**
SCOTIABANK	**UF**	**2,308**	**-**	**-**	**2,308**
Telefonica Chile S.A.	**UF**	**-**	**1,026**	**-**	**1,026**
Transbank S.A.	**UF**	**6,516**	**-**	**-**	**6,516**
Wom S.A	**UF**	**319**	**-**	**-**	**319**

19. Lawsuits and Contingencies

As of December 31, 2021, the Company is not aware of any contingency, that could affect the interpretation and the accompanying separate financial statements.

The Company has contractually committed (net prepayment) ThCh$232.015 as of December 31, 2021 and MCh$55.504 as of December 31, 2020 for the acquisition of furniture and equipment.

20. Subsequent events

Between January 1, 2021 and the date when financial statements were authorized for issue, there are no additional subsequent events that could affect the Company's financial position and/or profit or loss or which require disclosure in the notes to the financial statements.

TATA SOLUTION CENTER S.A.

FINANCIAL STATEMENTS

For the year ended
December 31, 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF
TATASOLUTION CENTER S. A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of TATA SOLUTION CENTER S.A., which comprise the statement of financial position as of December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TATA SOLUTION CENTER S.A as of December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company within the meaning of the Code of Ethics for Public Accountants issued by the International Ethics Standards Board (IESBA) together with relevant ethical requirements for our audit of the financial statements in force in the Republic of the Ecuador and have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained provides a sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the entity's managers and directors for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. How ever, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Company's managers and directors in relation to, among other matters, the scope and timing of the audit and significant audit findings, including any significant deficiency in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Separately, we issue the opinion on Compliance with the Company's Tax Obligations as of December 31, 2021.

February 21st, 2022

Quito, Ecuador

Patricio Cepeda

CPA No. 28.187

RNAE No. 322

Statement of Financial Position

(In thousand of USD)

	Note	As at December 31, 2021	As at December 31, 2020
			-
ASSETS			-
Current assets			-
Cash and cash equivalents	9 (a)	**21,887**	19,226
Trade receivables		**-**	-
Billed	9 (b)	**475**	205
Unbilled	9(c)	**1,106**	148
Other financial assets	9 (d)	**576**	375
Advance income taxes (net)	15	**-**	1,244
Other assets	11 (c)	**696**	250
Total current assets		**24,740**	21,448
Non-current assets			
Other financial assets	9 (d)	**41**	-
Deferred tax assets	15	**331**	205
Property, plant and equipment	11 (a)	**380**	427
Right-of-use assets	10	**805**	1,449
Other assets	11 (c)	**2**	-
Total non-current assets		**1,559**	2,081
TOTAL ASSETS		**26,299**	23,529
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade and other payables	9 (e)	**1,181**	1,503
Lease liabilities		**129**	104
Other financial liabilities	9 (f)	**2,619**	1,843
Unearned and deferred revenue	12	**415**	31
Employee benefit obligations	16 (a)	**655**	529
Income tax payable (net)	14	**1,530**	1,175
Other liabilities	11 (d)	**2,289**	1,925
Total current liabilities		**8,818**	7,110
Non-current liabilities			
Employee benefit obligations	16 (b)	**5,111**	4,652
Total non-current liabilities		**5,111**	4,652
TOTAL LIABILITIES		**13,929**	11,762
Equity			
Share Capital	9 (j)	**3,001**	3,001
Legal Reserves	5	**1,506**	1,506
Retained Earnings	5	**7,863**	7,260
TOTAL EQUITY		**12,370**	11,767
		26,299	23,529

Rupesh Sinha
General Manager

Jhonatan Fonseca
General Accountant

SEE NOTES TO ACCOMPANYING FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

(In thousand of USD)

	Note	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenues	12		
Consultancy services		**61,353**	59,165
Sale of equipment and software licences		**767**	2,196
TOTAL REVENUES		**62,120**	61,361
Operating expenses			
Employee benefits expenses	16	**41,243**	40,579
Depreciation expense		**945**	1,040
Other operating expenses	13	**10,320**	13,390
TOTAL OPERATING EXPENSES		**52,508**	55,009
Operating profit (loss)		**9,612**	6,352
Other income			
Finance and other income	14 (a)	**879**	703
Finance costs	14 (b)	**(202)**	(308)
Other gains (losses), net	14 (c)	**523**	37
OTHER INCOME (NET)		**1,200**	432
Profit / (Loss) before income taxes		**10,812**	6,784
Income tax expense	15	**(3,350)**	(2,550)
Profit / (Loss) for the year		**7,462**	4,234
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined employee benefit plans	16	**141**	45
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**7,603**	4,279

Rupesh Sinha
General Manager

Jhonatan Fonseca
General Accountant

SEE NOTES TO ACCOMPANYING FINANCIAL STATEMENTS

Statement of Changes in Equity

(In thousand of USD)

	Share capital	Legal reserves	Retained earnings	Adoption of IFRS	Total Retained Earnings	Total equity
Balance as at December 31, 2019	3,001	1,506	3,121	(140)	2,981	7,488
Profit for bhe year			4,234		4,234	4,234
Other comprehensive income	-	-	45	-	45	45
Balance as of Dec 31, 2020	3,001	1,506	7,400	(140)	7,260	11,767
Profit for the year	**-**	**-**	**7,462**	**-**	**7,462**	**7,462**
Other comprehensive income	**-**	**-**	**141**	**-**	**141**	**141**
Dividends			**(7,000)**	**-**	**(7,000)**	**(7,000)**
Balance as at December 31, 2021	**3,001**	**1,506**	**8,003**	**(140)**	**7,863**	**12,370**

Gains of US$ 141 thousand and of US$ 45 thousand on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the year ended December 31, 2021 and 2020, respectively.

Rupesh Sinha
General Manager

Jhonatan Fonseca
General Accountant

SEE NOTES TO ACCOMPANYING FINANCIAL STATEMENTS

Statement of Cash Flows

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (Net Loss)	**7,462**	4,234
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	**945**	1,040
Allowances for doubtful trade receivables and bad debts written off	**45**	46
Income tax expense	**3,350**	2,550
Net gain on disposal of property and equipment	**(2)**	-
Net change in		
Trade receivables		
Billed	**(315)**	4,103
Unbilled	**(958)**	45
Other financial assets (current and non-current)	**(242)**	111
Other current assets	**(446)**	351
Other non-current assets	**(2)**	1
Trade and other payables	**(322)**	(4,615)
Other financial liabilities (current)	**776**	627
Unearned and deferred revenues	**384**	(140)
Employee benefit obligations	**126**	257
Other liabilities current	**365**	(474)
Other non current liabilities - employee benefit obligations	**600**	390
Cash provided from operations	**11,765**	8,526
Taxes paid (net of refunds)	**(1,877)**	(1,329)
Net cash provided by operating activities	**9,888**	7,197
CASH FLOWS FROM INVESTING ACTIVITIES		
payment for Purchase of property, plant and equipment	**(98)**	(416)
Proceeds from disposal of property, plan and equipment	**2**	-
Net cash (used in) investing activities	**(96)**	(416)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**(7,000)**	-
Repayment of lease liabilities	**(131)**	(171)
Net cash (used in) financing activities	**(7,131)**	(171)
Net increase in cash	**2,661**	6,610
Cash and cash equivalents, beginning of the year	**19,226**	12,616
Cash and cash equivalents, end of the year	**21,887**	19,226
Supplementary Cash flow Information		
Interest paid	**3**	9
Interest received	**849**	687

Rupesh Sinha
General Manager

Jhonatan Fonseca
General Accountant

SEE NOTES TO ACCOMPANYING FINANCIAL STATEMENTS

Notes forming part of the Financial Statements

1. GENERAL INFORMATION

Tatasolution Center S.A., a subsidiary of Tata Consultancy Services Chile S.A., was incorporated in Ecuador on December 28, 2006 and began operations on June 1, 2007. The Company's principal activity is the provision of IT services, software development and management services and Business Processing Operations (BPO), principally to financial sector institutions.

The principal client of Tatasolution Center S.A. is Banco Pichincha C.A., representing approximately 89 percentage of its total revenues. Among the most significant services provided to the bank are software development services and maintenance and business processing operations (BPO).

At December 31, 2021 (and 2020), the Company employed a total of 1,502 and 1,475 employees, respectively.

Information included in these financial statements is the responsibility of Company´s management.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB).

3. BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefits plans which are measured at fair value or amortized cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the company has considered an operating cycle of 12 months.

Cash flows have been prepared 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the United States of America dollar (U.S. dollar). The functional currency of the company 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 recognized in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the 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 recognized in the period in which the estimates are revised and future periods are affected.

The company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue recognition

Revenue for fixed-price contracts are recognized using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. 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.

d. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to disclose 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 company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

f. Employee benefits

The present value of employee benefit provisions depends on various factors that are determined using an actuarial calculation based on various assumptions. The assumptions used in determining the net cost of the benefits include a discount rate. Any change in assumptions impacts the carrying amount of the employee benefit provisions.

The actuary contracted by the Company to perform the actuarial calculation uses the discount rate, the mortality rate and the turnover rate at the end of each year as reported by Company management. The discount rate is the interest rate to be used to determine the present value of estimated expected future cash flows that will be required to comply with the benefit obligation, which is determined by reference to market yields, at the end of the year, corresponding to high quality corporate bonds in the currency in which the profits will be paid.

The accounting of employee benefit plans in the nature of defined benefit requires the company to use assumptions. These assumptions have been explained under employee benefits note.

g. Leases

The company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

h. Impact of COVID-19 (pandemic)

Company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on leases etc..

5. NATURE AND PURPOSE OF RESERVES

a. Legal Reserve

The Companies' Law requires that at least 10 percentage of annual income be appropriated as a legal reserve until such reaches a minimum of 50 percentage of share capital. This reserve is not available for payment of dividends but may be capitalized in its entirety.

b. Retained Earnings

A summary of retained earnings is as follows:

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Retained earnings - distributable	**8,003**	7,400
Accumulated Losses(*)	**(140)**	(140)
	7,863	7,260

Accumulated earnings from first-time adoption of IFRS - include amounts resulting from adjustments Generated on first time adoption of IFRS. The debt balance may be absorbed by accumulated earnings and those of the previous terminated year, if any, in accordance with the Resolution issued by the Superintendence of Companies on October 14, 2011.

6. OFFSETTING BALANCES AND TRANSACTIONS

As a general rule neither assets and liabilities nor income and expenses are offset in the financial statements, except in those cases in which compensation is required or permitted under a standard and such presentation reflects the essence of the transaction.

Income and expenses originating in transactions that, contractually or by statute, provide for the possibility of offset and that the Company has the intention of settling for their net amount or realizing the assets and proceeding to pay the liability simultaneously are presented net in profit and loss.

7. RECENT ACCOUNTING STANDARDS

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

Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use[1]
Amendments to IAS 37	Onerous contracts costs of fulfilling a contract[1]
Amendments to IFRS 3	Business combinations – Reference to conceptual framework[1]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[1]
Amendments to IAS 1	Classification of Liabilities[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]
Amendments to IAS 12	Deferred Tax related to Assets and liabilities arising from a Single transaction[2]

[1] Effective for annual periods beginning on or after January 1, 2022.

[2] Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 – Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financia statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

8. IFRIC 23 INTERPRETATION UNCERTAINTY OVER INCOME TAX TREATMENT

IFRIC 23 interpretation addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that an entity must consider the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

Application of IFRIC 23

The company reviewed its income tax treatments in order to determine whether IFRIC 23 interpretation could have an impact on the financial statements. In that respect, the Company observed that there are no continuous instances of any uncertain tax treatment in the past and on that basis, it is reasonable to conclude that all the tax treatments are accepted by the tax officer and hence IFRIC-23 is not applicable.

9. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The company derecognizes financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized 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 recognized in profit or loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recognized at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a) Cash and Cash Equivalents

As shown in the statement of cash flows, cash and cash equivalents may be reconciled with related items in the statement of financial position as follows:

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Current account balances with banks	**94**	853
Cash on hand	**2**	3
Deposits with banks (1)	**21,791**	18,370
	21,887	19,226

(1) At December 31, 2021, Deposit with banks correspond to certificates of deposit and sweep account with local financial institutions maturing up to January and March 2022 (up to January and February 2021 for year 2020) with an average interest rate of 3.77 percentage and 3.78 percentage respectively (3.41 percentage and 4.30 percentage for year 2020).

b) Trade Receivables Billed

(In thousand of USD)

Trade Receivables billed current	As of December 31, 2021	As of December 31, 2020
Trade receivables billed	**1,132**	817
Less: Allowance for doubtful trade receivables	**(657)**	(612)
	475	205

Trade receivables include balances with related parties (Refer Note 18)

c) Trade Receivables Unbilled

(In thousand of USD)

Trade receivables Unbilled current	As of December 31, 2021	As of December 31, 2020
Trade receivables - Unbilled	**1,106**	148
Total	**1,106**	148

Unbilled receivables include balances with related parties (Refer Note 18)

d) Other Financial Assets

Other financial Assets consist of the following:

Other financial assets - Current

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Restricted Cash (1)	**483**	280
Employee advances	**26**	19
Deposits for premises	**2**	41
Accrued Interest	**65**	35
Total	**576**	375

(1) Restricted cash comprises of Deposits with lien.

Other financial assets – Non Current

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
	41	-
Deposits for premises	**41**	-

e) Trade and Other Payables

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Trade payables - gross	**432**	856
Accrued expenses	**749**	647
Total	**1,181**	1,503

Trade and Other payables include balances with related parties (Refer Note 18)

f) Other financial liabilities - Current

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Profit sharing	**1,937**	1,226
Social benefits	**418**	401
Other employee accounts payable	**250**	212
Payable for volume discount	**12**	4
Capital Creditors	**2**	-
	2,619	1,843

Employee profit-sharing - In accordance with current legislation, workers are entitled to a 15 percentage share in a company's profits applicable to accounting for pre-tax profits. Movements in the provision for employee profit-sharing were as follows:

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Balances, beginning of year	**1,226**	18
Provision for the year (1)	**1,908**	1,208
Payment made	**(1,197)**	-
Balances, end of year	**1,937**	1,226

(1) Years 2021 and 2020 include a provision of profit sharing in relation with tax assessment for 2015 and 2014 of US$ 11 thousand and US$ 18 thousand, respectively

g) Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2021 is as follows:

(In thousand of USD)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	**21,887**	**21,887**
Earmarked balances with banks	**483**	**483**
Trade receivables		
Billed	**475**	**475**
Unbilled	**1,106**	**1,106**
Other financial assets	**134**	**134**
Total	**24,085**	**24,085**
Financial liabilities		
Trade and other payables	**1,181**	**1,181**
Lease liabilities	**129**	**129**
Other financial liabilities	**2,619**	**2,619**
Total	**3,929**	**3,929**

The carrying value of financial instruments by categories as at December 31, 2020 is as follows:

(In thousand of USD)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	19,226	12,616
Earmarked balances with banks	280	280
Trade receivables		
Billed	205	205
Unbilled	148	148
Other financial assets	95	95
Total	19,954	19,954
Financial liabilities		
Trade and other payables	1,503	1,503
Lease liabilities	104	104
Other financial liabilities	1,843	1,843
Total	3,450	3,450

Carrying amounts of cash and cash equivalents, trade receivables, and trade payables as at December 31, 2021 and 2020 approximate the fair value. Difference between carrying amounts and fair values of earmarked balances with banks, other financial assets and other financial liabilities subsequently measured at amortized cost is not significant in each of the periods presented. Fair value measurement of lease liabilities is not required..

h) 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 — IInputs 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.

i) Financial risk management

The Company is exposed primarily to credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The Company is not exposed to foreign currency exchange rate risk.

- **Interest rate risk**

  The company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, and other financial assets. Cash and cash equivalents include an amount of 20,936 thousand USD held with Banks in Ecuador having high quality credit rating which are individually in excess of 10% or more of the Company's total cash and cash equivalents as at 31st December' 2021. None of the other financial instruments of the Company result in material concentration of credit risk.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was US$ 24,290 thousand and US$ 19,954 thousand as at December 31, 2021 and 2020, respectively, being the total of the carrying amount of balances with banks, trade receivables, contract assets and other financial assets.

(In thousand of USD)

	As at December 31, 2021		As at December 31, 2020	
	Trade receivable, Unbilled receivable & Contract assets	Percentage	Trade receivable, Unbilled receivable & Contract assets	Percentage
Customer A	**951**	**53%**	44	10%
Customer B	**475**	**27%**	161	36%
Customer D	**173**	**10%**	80	18%
Customer C	**99**	**6%**	100	23%
Customer E	**24**	**1%**	50	11%

Geographic concentration of credit risk

Geographic concentration of trade receivables (gross and net of allowances), unbilled receivables and contract assets is as follows:

	As at December 31, 2021	As at December 31, 2020
	%	%
Iberoamerica	**94**	77
Americas	**6**	23

Geographical concentration of trade receivables and contract assets is allocated based on the location of the customers.

The allowance for lifetime expected credit loss on trade receivables for the years ended Dec 31, 2021 and 2020 was US$ 657 thousand and US$ 612 thousand respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

(In thousand of USD)

	Year ended December 31, 2021	Year ended December 31, 2020
Balance at the beginning of the year	**612**	566
Changes during the year	**45**	46
Closing balance	**657**	612

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

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The tables below provide details regarding the contractual maturities of significant financial liabilities as at:

(In thousand of USD)

December 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade and other payables	**1,181**	**-**	**-**	**-**	**1,181**
Lease liabilities	**132**	**-**	**-**	**-**	**132**
Other financial liabilities	**2,619**	**-**	**-**	**-**	**2,619**
Total	**3,932**	**-**	**-**	**-**	**3,932**

(In thousand of USD)

December 31, 2020	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
Non-derivative financial liabilities:					
Trade & other payables	1,503	-	-	-	1,503
Lease liabilities	106	-	-	-	106
Other financial liabilities	1,843	-	-	-	1,843
Total	3,452	-	-	-	3,452

j) Equity instruments

Paid-in share capital comprises 3,000,800 shares with a nominal value of US$1.00.

Fully paid equity shares, which have a par value of US$3,000,800 (US$ 1) each carry one vote per share and have a right to dividend. In the event of liquidation of the Company, the holders of shares are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

(In thousand of USD)

	As at December 31, 2021	As at December 31, 2020
Authorised		
Equity shares of `1 each (3,000,800 shares)	**3,001**	3,001
	3,001	3,001
Issued, Subscribed and Fully paid up		
Opening balance of equity shares of `1 each (3,000,800 shares)	**3,001**	3,001
	3,001	3,001

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.

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.

Company as a lessee

The company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The company recognizes 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 assets 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 assets 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 recognized in profit or loss.

The company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. For leases with reasonably similar characteristics, the company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognizes 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 company recognizes any remaining amount of the re-measurement in profit or loss.

The company has elected not to apply the requirements of IFRS 16 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 recognized as an expense on a straight-line basis over the lease term.

The details of the right-of-use asset held by the company is as follows:

(In thousand of USD)

	Additions for the year ended December 31, 2021	Net carrying amount as on December 31, 2021
Buildings	**156**	**805**
Total	**156**	**805**

(In thousand of USD)

	Additions for the year ended December 31, 2020	Net carrying amount as on December 31, 2020
Buildings	-	1,449
Total	-	1,449

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

(In thousand of USD)

	Year ended December 31' 2021	Year ended December 31' 2020
Buildings	**801**	862
Total	**801**	862

Interest on lease liabilities is US$ 3 thousand and US$ 8 thousand for the years ended on December 31, 2021 and 2020, respectively.

The Company incurred US$ 43 thousand and US$ 11 thousand for the years ended December 31, 2021 and 2020, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is US$ 177 thousand and US$ 192 thousand for the years ended December 31, 2021 and 2020, respectively, including cash outflow for short-term leases and leases of low-value assets.

Lease contracts entered by the company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The company does not have any lease restrictions and commitment towards variable rent as per the contract.

11. NON-FINANCIAL ASSETS AND 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 values 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
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture, fixtures, office equipment and other assets	4-10 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 recognized in profit or loss.

Property, plant and equipment consist of the following:

(In thousand of USD)

	Leasehold improvements	Computer equipments	Furniture and fixtures	Office equipments	Plant and machinery	Total
Gross block as at Dec 31, 2020	4	2,347	61	436	400	3,248
Purchases	12	72	2	12	-	98
Disposals	-	(3)	-	(16)	-	(19)
Gross block as at Dec 31, 2021	16	2,416	63	432	400	3,327
Accumulated depreciation as at Dec 31, 2020	4	1,955	58	404	400	2,821
Adjustments*	1	-	-	-	-	1
Disposals	-	(3)	-	(16)	-	(19)
Depreciation for the year	2	127	3	12	-	144
Accumulated depreciation as at Dec 31, 2021	7	2,079	61	400	400	2,947
Net carrying amount at of Dec 31, 2021	9	336	2	32	-	380
Capital work-in-progress (including capital advances)						-
Total						380

(In thousand of USD)

	Leasehold improve-ments	Computer equipments	Furniture and fixtures	Office equipments	Plant and machinery	Total
Gross block as of Dec 31, 2019	4	1,929	808	90	-	2,831
Adjustments'	-	-	(746)	346	400	-
Purchases	-	418	1	-	-	419
Disposals	-	-	(2)	-	-	(2)
Gross block as of Dec 31, 2020	4	2,347	61	436	400	3,248
Accumulated depreciation as of Dec 31, 2019	4	1,821	763	57	-	2,645
Adjustments"	-	-	(732)	332	400	-
Disposals	-	-	(2)	-	-	(2)
Depreciation for the year	-	134	29	15	-	178
Accumulated depreciation as of Dec 31, 2020	4	1,955	58	404	400	2,821
Net carrying amount as of Dec 31, 2020		392	3	32		427
Capital work-in-progress (including capital advances)						-
Total						427

*Adjustments relate to recategorization of gross block of certain items of property, plant and equipment along with the respective balance of accumulated depreciation.

b) 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 amortization and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences and customerrelated 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 amortized 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 recognized in profit or loss.

c) Other Assets

Other assets - current

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Prepaid expenses	**488**	110
Advance to suppliers	**3**	2
Other current assets	**-**	21
Tax Credit Entitlements	**-**	30
Contract assets	**205**	87
	696	250

Other assets - non current

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Prepaid expenses	**2**	-
	2	-

Contract fulfillment costs of US$ NIL and US$ 246 thousands for the years ended December 31, 2021 and 2020, respectively, have been amortized in the profit or loss. Refer note 12 for changes in contract assets.

d) Other Current Liabilities

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Indirect tax payable and other statutory liabilities	**1,855**	1,492
Advance received from customers	**433**	433
	2,288	1,925

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12. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognized using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost 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 recognized 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 recognized over time on a POC method .
- Revenue from the sale of distinct third party hardware is recognized at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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 the 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 recognized when there is excess of revenue 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 recognized when there is billings in excess of revenues.

The billing schedules agreed with customers could 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 Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals, and geography.

Revenue disaggregation by nature of services is as follows:

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Consultancy services	**61,353**	59,165
Sale of equipment and software licenses	**767**	2,196
Total	**62,120**	61,361

Revenue disaggregation by industry vertical is as follows:

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Banking, Financial & Insurance	**60,386**	59,965
Retail and Consumer products	**279**	186
Manufacturing	**47**	67
Consumer, Media & Technology	**1050**	927
Others	**358**	216
Total	**62,120**	61,361

Revenue disaggregation by geography is as follows:

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Ibero America	**61,721**	61,137
America	**399**	224
Total	**62,120**	61,361

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is US$ 1,135 thousand out of which 94.45 percentage is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows :

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Opening at the beginning of the year	**87**	0
+ Revenue recongnized during the year	**205**	218
- Invoices raised during the year	**(87)**	(131)
+/- Translation	**-**	-
Balance at the end of the year	**205**	87

Changes in unearned and deferred revenue are as follows:

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Opening at the beginning of the year	**31**	171
- Revenue recongnized that was included in the contract liability balance at the beginning of the period	**-**	(171)
+ Increase due to invoices during the year excluding amounts recognized as revenue during the year	**384**	31
+/- Translation	**-**	-
Balance at the end of the year	**415**	31

13. COST RECOGNITION

Costs and expenses are recognized when incurred and have been classified according to their nature in the following categories:

The costs of the Company are broadly categorized into employee benefits expenses, depreciation and other operating expenses. Employee benefits expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses, travel expenses, cost of equipment and software licenses, communication expenses, bad debts, and other expenses.

Other Operating expenses

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Bad Debts	**46**	46
Communication	**507**	743
Cost of equipment and software licences	**16**	2,038
Facility Running Expenses	**981**	1,116
Fees to external consultants	**4,574**	3,968
Other expenses	**3,975**	5,158
Travel expenses	**221**	321
	10,320	13,390

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Cost of revenue	**39,340**	42,015
Selling, general and administrative expenses	**13,168**	12,994
	52,508	55,009

14. OTHER INCOME

a. Finance and other income

Interest income is recognized using effective interest method.

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest on bank balances and bank deposits	**878**	700
Others	**1**	3
Total	**879**	703

b. Finance costs

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest on lease liabilities	**3**	8
Interest on tax matters	**199**	300
Total	**202**	308

c. Other gains (net)

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Net gain/ (loss) on disposal of property, plant and equipment	**2**	-
Incentive received	**462**	-
Others	**59**	37
Total	**523**	37

15. TAXES

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax - The tax currently payable is based on taxable profit for the year. Taxable profit differs from reported profit because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates enacted at the end of the reporting period.

Deferred taxes - Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that the Company will have taxable profits available against which those deductible temporary differences can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Company offsets deferred tax assets against deferred tax liabilities when, and only when, there is a legally enforceable right to set off from the taxation authority amounts recognized in these items, and when they relate to income taxes levied and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to a transaction or event that is recognized outside profit or loss, whether in profit and loss or directly in equity, in which case the tax is also recognized outside profit or loss, or where they arise from the initial accounting for a business combination.

Current year assets and liabilities: A summary of current asset and liability taxes is as follows:

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Tax credit on income tax withholdings at source and total	**-**	-
Current income tax withholdings	**-**	1,244
Current tax liabilities:		
Value Added Tax - VAT payable and withholdings	**248**	129
Income tax payable	**1,530**	1,175
Income tax withholdings at source payable	**438**	339
Contribution and other taxes paybles	**405**	264
	2,621	1,907

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Tax reconciliation - current income tax - A reconciliation between profit (loss) according to the financial statements and the current income tax expense is as follows:

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Profit (loss) according to the financial statements, before income tax	**10,812**	6,784
Non deductible expenses	**2,041**	3,738
Taxable income	**12,854**	10,522
Income tax 25% (1)	**3,213**	2,631
Prior Period Income Tax (2)	**137**	(81)
Income tax charged to profit and loss:		
Current	**3,476**	2,577
Deferred	**(126)**	(27)
	3,350	2,550
Effective tax rate	**31%**	38%

In accordance with current legislation, income tax was determined using a rate of 25 percentage on profits subject to distribution (25 percentage for 2020) and 15 percentage on reinvested profits for some industries.

(1) The Company recorded US$ 3,213 thousand and US$ 2,631 thousand respectively in the income statement, corresponding to the income tax caused.

(2) For year 2021, it pertains to income tax adjustment for 2014 and 2015 assessment. For year 2020, it pertains to income tax adjustment for 2007 assessment..

ITax returns for years 2018, 2019 and 2020 are subject to revision.

Movement in the provision for income tax (tax credit)- Movements in the provision for income tax (tax credit) were as follows:

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Balances, beginning of year	**1,244**	2,275
Provision for the year	**(3,320)**	(2,657)
Payment made	**2,076**	1,626
Balances, end of year	**-**	1,244

Payments made: Comprise withholdings at source and payment of the income tax balance due at beginning of year.

Deferred tax balances: Movements for deferred tax assets were as follows:

(In thousand of USD)

Year 2021:	Balances at beginning of year	Recognized through retained earnings	Recognized in profit and loss	Balances at end of year
Deferred tax assets in relation to:				
Provision for bonuses	**19**	**-**	**9**	**28**
Provision for bonuses (Giftcards to employees)	**7**	**-**	**4**	**11**
Provision for operative losses	**12**	**-**	**12)**	**-**
Retirement benefits	**143**	**-**	**120**	**263**
Other provisions	**24**	**-**	**4**	**28**
	205	**-**	**125**	**330**

Year 2020:	Balances at beginning of year	Recognized through retained earnings	Recognized in profit and loss	Balances at end of year
Deferred tax assets in relation to:				
Provision for bonuses	11	-	8	19
Provision for bonuses (Gifcards to employees)	5	-	2	7
Provision for operative losses	61	-	(49)	12
Retirement benefits	101	-	42	143
Other provisions	-	-	24	24
	178	-	27	205

Direct tax contingencies

(a) Year 2007 Income Tax Assessment

On September 30, 2011, the Regional Director of the Internal Revenue Service (SRI) issued an Assessment Order for year 2007, requiring the Company to pay additional income tax of US$363,500.

On June 2020, Tax Court ruled the case and issued a favorable verdict for TATA. It rejected Tax Authority claim by US$320,428 for a final amount claimed reduced to US$116,033.82 (including interests). The company accepted the Tax Court´s ruling but Tax Authority has filed a cassation appeal in National Court. After consulting its legal advisors, the Company believes the likelihood to obtain a favorable ruling by National Court of Justice is high.

As of December 31, 2021, the Company has generated a guarantee for US$36,350

(b) Year 2014 Income Tax Assessment

On October 31, 2018, the Regional Director of the Internal Revenue Service (SRI) issued a Determination Order for year 2014, requiring the Company to pay additional income tax of US$ 2,766,360.

On July 14, 2021, the District Tax Litigation Court - DTLC ruled the case. All of TATA´s claims were accepted by the DTLC (US$2,296.752,69). Consequently, the amount not claimed by TATA before the DTLC would be outstanding once the process ends, this amount would be US $593,794.87 (US $288,257,56 plus interest). The SRI has filed a cassation appeal before the National Court of Justice - NCJ to challenge the ruling issued by the DTLC. If the cassation appeal is admitted to procedure, TATA will be required to file a response before the NCJ. After consulting its legal advisors, the Company believes the likelihood to obtain a favorable ruling by National Court of Justice is high.

As of December 31, 2021, the Company has generated a guarantee for US$ 244,088.

(c) Year 2015 Income Tax Assessment

On March 13, 2020, the Regional Director of the Internal Revenue Service (SRI) issued a Determination Order for year 2015, requiring the Company to pay additional income tax of US$ 2,738,910.

. On April 24, 2021, TATA filed a lawsuit before the District Tax Law Court (DTLC) against the income tax assessment of 2015. On June 7, 2021, DTLC suspended all effects of the income tax assessment. On July 19, 2021, SRI filed its response. The Company has provided US$ 800,721 income tax, penalties, recharges, and interests for those transactions that were not included in claim.

As of December 31, 2021, the Company has generated a guarantee for US$ 202,466.

Transfer Pricing

In accordance with current legislation, taxpayers subject to income tax and that have performed operations with overseas and/or local related parties within the same fiscal period for an accumulated amount exceeding US$15 million are obliged to file a Transfer Pricing study to verify that such operations have been undertaken at arm's length prices.

Company operations with overseas related parties during the years 2021 and 2020, did not exceed the referred amount.

The Company Management based on the preliminary diagnosis performed together with its tax advisors for 2021 transactions, does not expect any adjustment to the expense or current tax liability, however, once said study is finished it may be determined if operations with related parties for the year ended at December 31, 2021, have met the arm's length principle.

16. EMPLOYEE BENEFIT OBLIGATION

Defined benefits: Retirement and severance - For defined benefits (retirement and severance), the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period.

The service cost is recognized in profit and loss for the year in which such is generated, as well as the financing interest generated on the defined benefit obligation.

The new measurements, which include actuarial gains and losses, are recognized in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur.

Recognition of actuarial gains and losses in other comprehensive income is recognized immediately in accumulated earnings and is not reclassified to profit or loss for the period.

Employee profit-sharing - The Company recognizes a liability and an expense for employee profit-sharing in Company income. This benefit is calculated based on 15 percentage of pre-tax income in accordance with current legislation.

Executive bonuses - The Company recognizes an expense for bonuses paid to its principal executives and commercial area personnel. Bonus calculations are paid based on goals and compliance with key performance indicators.

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 recognized in the period in which the employee renders the related service. A liability is recognized 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 recognized as undiscounted liability at the date of statement of financial position.

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Employee benefit expenses consist of the following:

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Salaries, incentives and allowances	**31,303**	30,938
Contributions to provident and other funds	**8,707**	8,398
Staff welfare	**1,234**	1,243
	41,244	40,579

a) Employee benefit obligation - Current

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Compensated absenses	**633**	503
Other employee benefit obligations	**22**	26
	655	529

Other employee benefit obligation: Company provisioned US$ 22 thousand at the end of December 2021 (US$ 26 thousand at the end of December 2020) to be paid as long service awards and start of the month recognition according to corporate policies.

b) Employee benefit obligation - Non-Current

Defined Benefit Obligations

(In thousand of USD)

	As of December 31, 2021	As of December 31, 2020
Retirement	**3,195**	2,800
Severance	**1,916**	1,852
	5,111	4,652

Retirement - In accordance with the Labor Code, employees with twenty-five or more years' continuous or interrupted service are entitled to receive pensions from their employers without prejudicing their right as affiliates to receive pensions from the Ecuadorian Social Security Institute.

Movements in the present value of the retirement obligation were as follows:

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Balances, beginning of year	**2,800**	3,060
Cost of the services	**679**	362
Cost of interest	**74**	67
Actuarial losses (gains) Reversal provision	**(159)**	(157)
Actuarial losses (gains) current year	**(199)**	(532)
Balances, end of year	**3,195**	2,800

Severance - In accordance with the Labor Code, when an employee's labor contract is terminated either by the employee of the employer, the Company shall pay an amount equivalent to 25 percentage of their last monthly salary for each year of service.

Movements in the present value of the severance obligation were as follows:

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Balances, beginning of year	**1,852**	1,247
Cost of the services	**125**	146
Cost of interest	**52**	48
Actuarial losses (gains)	**24**	483
Short provision	**158**	154
Benefits paid	**(295)**	226)
Balances, end of year	**1,916**	1,852

The actuarial calculations for the present value of the accrued defined benefits were performed at December 31, 2021 and 2020 by an independent actuary. The present value of defined benefit obligations (DBO) and the current service cost and the previous service cost were calculated using the projected credit unit method.

Under this method pension benefits must be attributed to the employee's period of service and based on the plan formula so that the same benefit amount is attributed to each year of service based on an actuarial hypothesis to calculate the present value of the referred benefits.

This hypothesis reflects the value in money over time, the salary increases and the probability of paying a pension.

Actuarial gains and losses arising from adjustments for experience and changes in actuarial assumptions are credited or charged to other comprehensive income.

The significant actuarial assumptions used to determine the defined benefit obligations are the discount rate, expected salary increases and mortality.

The principal assumptions used for the actuarial calculations are as follows:

	For the year ended December 31, 2021	For the year ended December 31, 2020
	%	%
Discount rate (s)	**3.01**	2.85
Expected salary increase rate (s)	**2.50**	2.00
Turnover rate	**10.99**	13.74

The sensitivity analysis included below has been developed based on reasonably expected changes that may occur at the end of the reference period for the respective assumptions.

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
DBO variance (discount rate - 0.5%)	**237**	251
DBO variance (discount rate + 0.5%)	**(220)**	(233)
DBO variance (salary increase + 0.5%)	**192**	210
DBO variance (salary increase - 0.5%)	**(182)**	(198)

The sensitivity analysis presented above may not be representative of a real change in the defined benefit obligation, since it is unlikely that any change in the assumptions would occur in isolation from others (some of the assumptions may be correlated).

Note that the present value of the defined benefit obligation included in the developed sensitivity is calculated using the projected unit credit method, the same used in the calculation of the defined benefit obligation recognized in the statement of financial position.

Amounts recognized in the statement of profit/ loss and other comprehensive income for the referred defined benefit plans are as follows:

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Statement of profit and loss		
Service cost	**804**	508
Interest cost	**126**	115
	930	623
Other comprehensive income:		
Actuarial losses (gains)	**(141)**	(45)
	789	578

17. COMMITMENT AND CONTIGIENCIES

(a) Capital Commitments - The company has contractually committed (net of advances) $111 thousands and Nil value as at December 31, 2021 and 2020 respectively, for purchase of property, plant and equipment.

(b) Contingencies

(a) Direct tax matters

Refer note on direct tax contingencies in Note 15 income taxes

(b) Indirect tax matters

There are no contigency in relation to Indirect tax matters.

18. RELATED PARTY TRANSACTIONS AND BALANCES

Company's principal related parties consist of its ultimate holding company Tata Consultancy Services Limited and its subsidiaries, affiliates and key managerial personnel. The company's related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Transactions with related parties are as follows:

(In thousand of USD)

		Year ended December 31, 2021	Year ended December 31, 2020
Revenue from operations			
	Tata Consultancy Services Limited	**399**	224
	Total	**399**	224
Purchases of goods and services (including reimbursements)			
	Tata Sons Private Limited, its subsidiaries and associates		
	Titan Company Limited	**53**	-
	Tata Consulatancy Services Limited	**6,093**	6,346
	Subsidiaries of Tata Consultancy Services Limited		
	Tata Consultancy Services De Mexico S.A.,De C.V.	**62**	75
	Tcs Solutions Center Sucursal Colombia	**172**	146
	TCS Inversions Chile Ltda	**396**	449
	Total	**6,776**	7,015
Brand equity contribution			
	Tata Sons Private Limited, its subsidiaries and associates		
	Tata Sons Private Limited	**154**	111
	Total	**154**	111
Dividend paid			
	Tata Consultancy Services Chile S.A.	**6,930**	-
	TCS Inversiones Chile Limitada	**70**	-
	Total	**7,000**	-

Balances receivable from related parties are as follows:

(In thousand of USD)

		As of December 31, 2021	As of December 31, 2020
Trade receivables and unbilled receivables and contract assets			
	Tata Consulatancy Services Limited	**99**	100
	Subsidiaries of Tata Consultancy Services Limited	**-**	
	Tata America International Corporation	**0.01**	0.01
	Tcs Solutions Center Sucursal Colombia	**1**	-
	Total	**101**	100
Loans, other financial assets and other assets			
	Tata Consulatancy Services Limited	**287**	-
	Tcs Solutions Center Sucursal Colombia	**-**	0.42
	Tata Consultancy Services De Mexico S.A.,De C.V.	**0.30**	0.33
	Total	**287**	1

Balances payable to related parties are as follows:

(In thousand of USD)

		As of December 31, 2021	As of December 31, 2020
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities			
	Tata Sons Private Limited, its subsidiaries and associates		
	Tata Sons Private Limited	**154**	111
	Tata Consultancy Services Limited	**284**	237
	Subsidiaries of Tata Consultancy Services Limited		
	Tata Consultancy Services De Mexico S.A.,De C.V.	**15**	14
	Tata Consultancy Services Inversiones Chile S.A.	**101**	123
	TCS Solution Center S.A.	**75**	18
	Total	**629**	503

Transactions with key management personnel is as follows:

(In thousand of USD)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Short Term Benefits	**472**	362
	472	362

The above figures do not include provisions for encashable leave and retirement benefits, as separate actuarial valuation are not available.

19. SUBSEQUENT EVENT

There were no subsequent events that meet disclosure.

20. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year ended December 31, 2021 were approved by Company Management on February 21st, 2022 and will be presented to the Shareholders for approval. In the opinion of Company Management, the financial statements will be approved by the Shareholders without any modification.

Saudi Desert Rose Holding B.V.

ANNUAL FINANCIAL STATEMENTS

For the year ended

December 31, 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
SAUDI DESERT ROSE HOLDING B.V.

SPECIAL PURPOSE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying special purpose financial statements of Saudi Desert Rose Holding B.V. ('the Company'), which comprise the statement of financial position as of 31st December 2021, and the related statement of profit or loss and other comprehensive income, changes in equity, and cash flow for the year then ended, and the related notes to the special purpose financial statements. The special purpose financial statements have been prepared by the management as described in Note 2 to the Special Purpose financial statements in accordance with the International Financial Reporting Standards (IFRS).

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31st December 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Board.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) generally accepted in India. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special purpose financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose financial statements under the provisions of the Act and the Rules there under and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Management's Responsibility for special purpose Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these Special purpose financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity cash flows of the Company in accordance with the IFRS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

In preparing these Special purpose financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue going concern.
- Evaluate the overall presentation, structure statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

Comparative figures for the financial year ended 31st December 2020 have been taken as per unadited Financial Statements considered by the management of the Joint venture partner from whom company has been acquired.

Restriction on Distribution and Use

Audit of this special purpose financial statements, in accordance with International Financial Reporting Standards of the Company for the year ended 31st December 2021 have been prepared for the limited purpose of consolidated financial statements, to comply with the Section 129(3) of the Companies Act 2013, of TATA Consultancy Services Limited (TCSL). for the year ended 31st December 2021. Our report is strictly intended solely for the information and use by TCSL for the preparation of consolidated financial statements and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

For K B J & ASSOCIATES
(Chartered Accountants)
(ICAI Firm Registration No. 114934W)

Kaushik B. Joshi
Proprietor
(ICAI Membership No.48889)

Mumbai,3 May, 2022

Statement of Financial Position

(Amount in EUR)

	Note	As at December 31, 2021	As at December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	**235,232**	-
Total current assets		**235,232**	-
Non-current assets			
Investments	7(b)	**-**	10,281
Total non-current assets		**-**	10,281
TOTAL ASSETS		**235,232**	10,281
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Trade payables	7(d)	**-**	119
Total current liabilities		**-**	119
TOTAL LIABILITIES		**-**	119
Equity			
Share captial	7(g)	**18,000**	18,000
Share premium		**78,780**	78,780
Retained earnings		**17,778**	(207,292)
General Reserve		**120,674**	120,674
Total equity		**235,232**	10,162
TOTAL LIABILITIES AND EQUITY		**235,232**	10,281

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-16

As per our report of even date attache

For **KBJ & Associates**
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889

Mumbai
Date: 3 May, 2022

For and on behalf of the Board of Directors
of Saudi Desert Rose Holding B.V.

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Statement of Profit or Loss and Other Comprehensive Income

(Amount in EUR)

	Note	For the year ended December 31, 2021	For the year ended December 31, 2020
Operating Income	9		
Dividend Income		**4,089,980**	-
Total operating Income		**4,089,980**	-
Other operating expenses	10	**10,410**	805
Impairment expense	7(b)	**-**	206,487
Total operating expenses		**10,410**	207,292
Profit before taxes		**4,079,570**	(207,292)
Income tax expense	11	**204,500**	-
Profit for the year		**3,875,070**	(207,292)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-16

As per our report of even date attache

For **KBJ & Associates**
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889

Mumbai
Date: 3 May, 2022

For and on behalf of the Board of Directors
of Saudi Desert Rose Holding B.V.

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Statement of Changes in Equity

(Amount in EUR)

	Issued and paid up share capital	Share premium reserve	Other reserves	Unappropriated result	Total
Balance as at January 1, 2020	18,000	212,000	124,903	(4,229)	350,674
Movements Retained profit	-	-	(4,229)	4,229	-
Share Premium Repayment	-	(133,220)	-	-	(133,220)
Unappropriated result	-	-	-	(207,292)	(207,292)
Balance as at December 31, 2020	18,000	78,780	120,674	(207,292)	10,162
Dividend paid		-		-	-
Balance as at January 1, 2021	**18,000**	**78,780**	**120,674**	**(207,292)**	**10,162**
Unappropriated result Retained profit	**-**	**-**	**-**	**-**	**-**
Share premium repayment	**-**	**-**	**-**	**-**	**-**
Unappropriated result	**-**	**-**	**-**	**3,875,070**	**3,875,070**
Dividend paid	**-**	**-**	**-**	**(3,650,000)**	**(3,650,000)**
Balance as at March 31, 2021	**18,000**	**78,780**	**120,674**	**17,778**	**235,232**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-16

As per our report of even date attache

For **KBJ & Associates**
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889

Mumbai
Date: 3 May, 2022

For and on behalf of the Board of Director
of Saudi Desert Rose Holding B.V.

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapalli
Director
Frankfurt , Germany

Statements of Cash Flows

(Amount in EUR)

	Note	For Year ended December 31, 2021	For Year ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year		**3,875,070**	(207,292)
Adjustment to reconcile profit or loss to net cash provided by			
Net investment value written off (Refer Note 9)		**10,281**	-
Impairment Expense		**-**	206,487
Tax Expense		**204,500**	
Operating profit before working capital changes		**4,089,851**	(805)
Net change in working capital			
Current Assets		**-**	805
Trade Payables		**(119)**	-
Cash generated from operating activities		**4,089,732**	-
Income taxes paid		**(204,500)**	-
Net cash generated/ (used) in operating activities		**3,885,232**	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of dividend		**(3,650,000)**	-
Net cash used in financing activities		**(3,650,000)**	-
Net change in cash and cash equivalents		**235,232**	-
Cash and cash equivalents, beginning of the year		**-**	-
Cash and cash equivalents, end of the year	1(a)	**235,232**	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-16

As per our report of even date attache

For and on behalf of the Board of Director
of Saudi Desert Rose Holding B.V.

For **KBJ & Associates**
Chartered Accountants
Firm registration no.114934W

Pradeep Manohar Gaitonde
Director
Mumbai

Kaushik B. Joshi
Proprietor
Membership number : 48889

Sapthagiri Chapalapall
Director
Frankfurt , Germany

Mumbai
Date: 3 May, 2022

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Saudi Desert Rose Holding B.V. (the "Company") is a limited liability company, incorporated and domiciled in Netherlnds, where TCS Netherlands B.V. owns 100% of the shares.

The main activities of Saudi Desert Rose Holding B.V. (hereafter 'the Company') are the incorporation of, participation in and to take any other financial interest in companies.

The Company has its statutory seat and office address at the Verlengde Poolseweg 16, 4818 CL, Breda, The Netherlands and is listed under number 59144629 in the trade register ('KvK').

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the international accounting standard board ("IASB") and applicable provisions of Netherlands corporations Law. This special purpose financial statements have been prepared for inclusion of Tata Consultancy Services Limited (Intermediate Holding Company) under the requirement of Section 129(3) of the Companies Act, 2013 ('the Act'). The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented in these financial statements .

3. BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis 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 or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows are reported using the 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and presentation currency of the Company is Euro (EUR),

Foreign currency transactions are translated into functional currency at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated into the functional currency using exchange rates prevailing on the date of statement of financial position. Gains and losses arising on conversion of foreign currency denominated monetary assets and liabilities are included in profit or loss. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements is in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) which requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

The company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue recognition

Dividend income is recorded when the right to receive payment is established.

b. 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.

c. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

d. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5. NATURE AND PURPOSE OF RESERVES

a. Share Premium reserve:

The share premium reserve comprises the proceeds from the issue of shares insofar as these exceed the nominal value of the shares (proceeds above par).

b. Unappropriated result:

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

c. Other reserve:

Other reserve has been created for fulfilling various business needs like meeting contingencies, offsetting future losses, enhancing the working capital, paying dividends etc.

6. RECENT ACCOUNTING STANDARDS

IFRS 16 - COVID-19-Related Rent Concessions

In May 2020, International Accounting Standards Board (IASB) issued COVID-19-Related Rent Concessions, which provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. It requires lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications. Lessees need to disclose that fact and need to apply the exemption retrospectively in accordance with IAS 8, but they do not require to restate prior period numbers. The practical expedient was available only for lease payments originally due upto June 2021. The Company has applied the amendment effective April 1, 2020. The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated, IASB has therefore extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022. The above amendment is expected to have no impact on the Company's financial statements as the Company do not have any lease capitalised under IFRS 16.

Amendments to IFRS 3	Reference to Conceptual Framework[1]
Amendments to IAS 1	Classification of Liabilities[1]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

[1]Effective for annual periods beginning on or after January 1, 2023

IFRS 3 -- Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Group does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts

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in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group will evaluate the impact, if any, in its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

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

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

.1. Financial assets, financial liabilities and equity instruments

(a) Cash and cash equivalents

(Amount in EUR)

	As at December 31, 2021	As at December 31, 2020
Cash in hand	-	-
Balances with bank	-	-
In current account	**235,232**	-
Total	**235,232**	-

(b) Investments

Investment consist of the following:

(Amount in EUR)

	As at December 31, 2021	As at December 31, 2020
Investments Purchase price	-	216,768
Cumulative impairments	-	-
Book value Total	-	216,768
Movements in cumulative impairment		
Additions	-	-
Impairment	-	(206,487)
Disposals	-	-
Total movements	-	(206,487)
	-	10,281

(c) Financial instruments by category

The carrying value of financial instruments by categories as at December 31, 2021 is as follows:

(Amount in EUR)

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	**235,232**	235,232
Total	**235,232**	**235,232**

The carrying value of financial instruments by categories as at December 31, 2020 is as follows:

	Amortised cost	Total carrying value
Financial assets		
Cash and cash equivalents	-	-
Total	-	-

(d) Current liabilities

(Amount in EUR)

	As at December 31, 2021	As at December 31, 2020
Payable to Group Companies	-	199
Total	-	199

Carrying amounts of cash and cash equivalents, other financial assets and trade payables as at December 31, 2021 and December 31, 2020 approximate the fair value.

(e) 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.

(f) Financial risk management

The Company is exposed primarily to fluctuations in credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rate may have potential impact on the statement of Profit and Loss, Other comprehensive income and Equity, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than functional currency of the company.

- **Foreign currency exchange rate**

  The Company is not exposed to foreign currency exchange rate risk

- **Interest rate risk**

  The Company is not significantly exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consist of cash and cash equivalents, and other financial assets.

- **Exposure to credit risk**

  The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was EUR 2,35,232 and EUR NIL as of December 31, 2021 and December 31, 2020, respectively being the total of the carrying amount of balances with bank and other financial assets. Balance with bank are held with banks with high credit ratings.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations as and when they fall due.

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(g) Equity instruments

(Amount in EUR)

	As at December 31, 2021	As at December 31, 2020
Authorised, issued, subscribed and paid up Share capital		
Authorised:		
18,000 ordinary shares of EUR 1 each	**18,000**	18,000
Issued, Subscribed & Fully paid up :		
18,000 ordinary shares of EUR 1 each	**18,000**	18,000
Share holding	**Percentage**	Percentage
General Electric International (Benelux) B.V.		100%
Tata Consultancy Services Netherlands BV	**100%**	

Capital management

The Company's objective for capital management is to maximize 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 product 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.

8. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets 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 assets 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and 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 Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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.

9. OPERATING INCOME

(Amount in EUR)

Dividend Income	**As at December 31, 2021**	**As at December 31, 2020**
Dividend Income*	**4,089,980**	-
Total	**4,089,980**	-

* As per Joint Venture (JV) Scheme with a JV partner, Investments in Tata Consultancy Services Saudi Arabia ('TCS Saudi') held by JV Partner in Saudi Desert Rose Holdings B.V. ('SDR') is to be transferred to its parent company i.e., Tata Consultancy Services Netherlands B.V. and 100% share capital of SDR was to be acquired by the Parent Company. During the year as per the said JV Scheme, 100% share capital of SDR has been acquired by the Parent Company and investment by SDR in TCS Saudi would ultimately be merged with the parent Company. Pending merger, the dividend from TCS Saud has been received by SDR. Since SDR does not hold any beneficial interest in TCS Saudi, net investment value has been written off in the books.

10. COST RECOGNITION

(Amount in EUR)

Other operating expenses	**As at December 31, 2021**	**As at December 31, 2020**
Net investment value written off (Refer Note 9)	**10,281**	-
Other Expenses	**129**	805
Total	**10,410**	805

11. INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

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

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. 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.

Deferred income taxes

The Company accounts for the deferred income taxes using the balance sheet approach. Deferred income taxes are provided for the differences between the tax base of assets and liabilities and their reported amounts in the financial statements.

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

The income tax expense consists of the following:

(Amount in EUR)

Current tax	**As at December 31, 2021**	**As at December 31, 2020**
Current tax expense	**204,500**	-
Total	**204,500**	-

The reconciliation of estimated income tax expense at the Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:

12. RELATED PARTY TRANSACTIONS

Saudi Desert Rose Holding B.V.principal related parties consist of its holding company Tata Consultancy Services Netherlands B.V. and its subsidiaries, its Associate Tata Consultancy Services Saudi Arabia and its key managerial personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business. Below tables include transactions entered during the year and balances as of December 31, 2022 and 2021.

Transactions and balances with related parties

For the year ended December 31, 2021

(Amount in EUR)

Particulars	**With Tata Consultancy Services Limited, Holding Company**	**With Tata Consultancy Services Saudi Arabia, Associate Company**	**Total**
Dividend paid	**3,650,000**	**-**	**3,650,000**
Dividend received	**-**	**4,089,980**	**4,089,980**

Note: There were no related party transactions for the previous year

Notes forming part of the Financial Statements

13. GOING CONCERN

Management has taken into account the impact of COVID-19 on the business for the foreseeable future and have concluded that the company has sufficient resources to continue as a going concern.

14. SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

15. COMPARATIVE INFORMATION

The comparative figures presented for the year ended December 31, 2020 have been reclassified where necessary to preserve consistency with the year ended December 31, 2021 figures. However, such reclassifications did not have any effect on the comprehensive income or the total equity for the year ended December 31, 2021.

16. CONSOLIDATION

The following set of financial statements represents the financial statements of the entity. The exemption under IAS27.16(1) has been applied and consolidated financial statements were not prepared. The consolidated financial statements of the parent company are available on demand.

As per our report of even date attache

For **KBJ & Associates**
Chartered Accountants
Firm registration no.114934W

Kaushik B. Joshi
Proprietor
Membership number : 48889

Mumbai
Date: 3 May, 2022

For and on behalf of the Board of Director
of Saudi Desert Rose Holding B.V.

Pradeep Manohar Gaitonde
Director
Mumbai

Sapthagiri Chapalapall
Director
Frankfurt , Germany

Tata Consultancy Services Bulgaria EOOD

(Registration Number: 206636516)

ANNUAL FINANCIAL STATEMENTS

For the year ended December 31, 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

DIRECTORS' REPORT

for the period August 31, 2021 to December 31, 2021

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW INCLUDING PRINCIPAL RISKS AND UNCERTAINTIES

The business purpose of Tata Consultancy Services Bulgaria EOOD ("The Company") is to provide its main customer, Xerox with a range of services across Leasing, Accounting, Pricing and FP&A functions, while also continuing to expand the services Tata Consultancy Services Bulgaria EOOD can offer Xerox across its other capabilities.

Although Covid-19 has had a significant impact on the workplace in general, the trading conditions of the Company have not been impacted and business levels for the period ended 31 December, 2021 were in line with management expectations.

The principal key performance indicators used by management to monitor performance are as follows:-

- Actual financial results versus forecasts
- Regulatory filings
- Employee turnover
- Customer satisfaction
- Operational efficiencies

The principal risks and uncertainties facing the company are as follows:

- the movement in currency rates between USD and BGN.
- increase in labour costs in the local market.
- Economic impact of war in Ukraine.

Results and dividends

Profit on ordinary activities before taxation for the period ended 31 December, 2021 amounted to BGN 1,307,784.

The directors do not recommend the payment of a dividend.

Future developments

The company is expected to increase its level of operations throughout the year 2022.

Events since the end of the financial year

There have been no significant events affecting the company since the balance sheet date.

Financial Risk Management

The Company is exposed to financial risk through both its financial assets and liabilities. The most important components of this financial risk for the Company are credit risk, foreign exchange risk, interest rate risk and liquidity risk.

Risk Management Framework

The Company's internal organisational and management structure and its system of internal financial reporting to the board of directors is the basis for identifying the predominant source and nature of the differing risks facing the entity.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk is controlled by the Company by ensuring credit limits and the credit worthiness of customers are monitored on an ongoing basis.

The Company has identified the credit risks associated with the cash and deposits it has placed with third party banking institutions.

Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost, the Company maintains a significant proportion of its funds in liquid form and maintains sufficient liquidity even at unexpected levels of demand.

Interest Rate Risk

Interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in interest rates. Based on current company operations it is not envisaged that the entity is exposed to significant interest rate risk.

Foreign Exchange Risk

Tata Consultancy Services Bulgaria EOOD conducts business in foreign countries with certain transactions denominated in currencies other than the functional currency of the Company (BGN). The purpose of the Company's foreign currency management is to manage the effect of exchange rate fluctuations on transactions denominated in foreign currencies (US dollars). The Company has an internal hedging agreement in place to mitigate its exposure, this is used for internal management reporting.

Accounting Records

The directors believe that they have complied with the requirements the Companies Act in Bulgaria with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at Sofia Business Park, Building 3, 1st floor, 1766 Sofia Bulgaria.

The names of the persons who were directors for the period ended 31 December, 2021 are set out below:

1. Amit Kapur
(Director)

2. Niraj Sanghvi
(Director)

3. Sapthagiri Chapalapalli
(Director)

Directors' and secretary's interests

The directors who held office at 31 December, 2021 had no disclosable interests in the shares, debentures or loan stock of the Company or group companies.

Political contribtion

The Company made no political contributions or incurred any political expenditure during the period.

Directors Compliance Statement

The directors, in accordance with the Companies Act in Bulgaria, acknowledge that they are responsible for securing the Company's compliance with certain obligations.

The directors confirm that:

• A compliance policy statement has been drawn up setting out the Company's policies with regard to such compliance;

• Appropriate arrangements or structures that are designed to secure material compliance with the Company's relevant obligations have been put in place; and

• A review of the arrangements and structures referred to above has been conducted during the financial period ended 31 December, 2021.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

Going concern

Management has made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the possible impacts in relation to COVID 19, which is at least, but not limited to, twelve months from the end of the reporting period. Based on the analysis they have concluded that the Company has sufficient resources to continue as a going concern.

For and on behalf of board of directors of	**Amit Kapur**	**Niraj Sanghvi**
Tata Consultancy Services Bulgaria EOOD	Director	Director
Date: 11 May, 2022	United Kingdom	Germany

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
TATA CONSULTANCY SERVICES BULGARIA EOOD

SPECIAL PURPOSE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying special purpose financial statements of Tata Consultancy Services Bulgaria EOOD ('the Company'), which comprise the statement of financial position as of 31st December 2021, and the related statement of profit or loss and other comprehensive income, changes in equity, and cash flow for the period from 31st August 2021 to 31st December 2021, and the related notes to the special purpose financial statements. The special purpose financial statements have been prepared by the management as described in Note 2 to the Special Purpose financial statements in accordance with the International Financial Reporting Standards (IFRS).

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31st December 2021, and its financial performance and its cash flows for the said period then ended in accordance with IFRS as issued by the International Accounting Standard Board.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) generally accepted in India. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special purpose financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special purpose financial statements under the provisions of the Act and the Rules there under and fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Management's Responsibility for special purpose Financial Statements

The Company's management and Board of Directors are responsible for preparation of these Special purpose financial statements that give a true and fair view of the state of affairs, profit/ loss and (including other comprehensive income), changes in equity cash flows of the Company in accordance with the IFRS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special purpose financial statements that give a true and fair view and are free from misstatement, whether due to fraud or error.

In preparing these Special purpose financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue going concern.

- Evaluate the overall presentation, structure statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. .

Restriction on Distribution and Use

Audit of this special purpose financial statements, in accordance with IFRS of the Company for the period ended 31st December 2021 have been prepared for the limited purpose of consolidated financial statements, to comply with the Section 129(3) of the Companies Act 2013, of Tata Consultancy Services Ltd. for the year ended 31st December 2021. Our report is strictly intended solely for the information and use by TCS for the preparation of consolidated financial statements and for the use at their annual general meetings for the information of their members. It is not intended to be and should not be used by anyone other than specified parties.

Place: Mumbai

Date: 11 May, 2022

For K B J & ASSOCIATES

(Chartered Accountants)

(ICAI Firm Registration No. 114934W)

Kaushik B. Joshi

Proprietor

(ICAI Membership No.48889)

STATEMENT OF FINANCIAL POSITION

(Amount in BGN)

	Note	As at December 31, 2021
ASSETS		
Non-current assets		
Capital work-in-progress	8(b)	**186,839**
Total non-current assets		**186,839**
Current assets		
Cash and cash equivalents	7(a)	**1,958,312**
Trade receivables	7(b)	**283,925**
Unbilled receivables		**1,847,551**
Other assets	8(c)	**303,181**
Total current assets		**4,392,969**
TOTAL ASSETS		**4,579,808**
EQUITY AND LIABILITIES		
Equity		
Share capital	7(h)	**2**
Retained earnings		**1,177,006**
Total equity		**1,177,008**
Liabilities		
Current liabilities		
Trade payables	7(c)	**(5,011)**
Other financial liabilities	7(d)	**3,177,654**
Income tax liabilities (net)		**130,778**
Other liabilities	8(d)	**99,379**
Total current liabilities		**3,402,800**
TOTAL EQUITY AND LIABILITIES		**4,579,808**

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS **1-19**

As per our report of even date attached.

For and on behalf of the Board of Directors
of Tata Consultancy Services Bulgaria EOOD

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Amit Kapur
Director
United Kingdom

Kaushik B. Joshi
Proprietor
Membership No: 48889

Niraj Sanghvi
Director
Germany

Mumbai,
Date: 11 May, 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amount in BGN))

	Note	For the period August 31, 2021 to December 31, 2021
Revenues	9	**2,367,779**
Operating expenses		
Employee cost	14	**902,203**
Finance costs	12	**12,583**
Other operating expenses	10	**131,699**
TOTAL OPERATING EXPENSES		**1,046,485**
Operating profit		**1,321,294**
Other income		
Other losses (net)	11	**13,510**
TOTAL OTHER INCOME		**13,510**
Profit before taxes		**1,307,784**
Income tax expense	13	**130,778**
Profit for the period		**1,177,006**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,177,006**

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-19

As per our report of even date attached.

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889

Mumbai,
Date: 11 May, 2022

For and on behalf of the Board of Directors
of Tata Consultancy Services Bulgaria EOOD

Amit Kapur
Director
United Kingdom

Niraj Sanghvi
Director
Germany

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STATEMENT OF CHANGES IN EQUITY

(Amount in BGN)

	Share capital	Retained Earnings	Total equity
Balance as at August 31, 2021	-	-	-
Transactions with owners of the company	-	-	-
Issue of ordinary shares	2	-	2
Total comprehensive income for the period	2	-	2
Profit for the period	-	1,177,006	1,177,006
Balance as at December 31, 2021	**2**	**1,177,006**	**1,177,008**

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-19

As per our report of even date attached.

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889

Mumbai,
Date: 11 May, 2022

For and on behalf of the Board of Directors
of Tata Consultancy Services Bulgaria EOOD

Amit Kapur
Director
United Kingdom

Niraj Sanghvi
Director
Germany

STATEMENT OF CASH FLOWS

(Amount in BGN)

	For the period August 31, 2021 to December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit for the period	**1,177,006**
Adjustments to reconcile profit or loss to net cash provided by operating activities:	
Income tax expense	**130,778**
Unrealised exchange loss	**2**
Operating profit before working capital changes	**1,307,786**
Net change in:	
Trade receivables	**(283,925)**
Unbilled receivables	**(1,847,551)**
Other asset	**(303,181)**
Trade paybles	**(5,011)**
Other financial liabilities	**3,177,654**
Other liabilities and provisions	**99,379**
Cash generated from operating activities	**2,145,151**
Taxes paid (net of refunds)	**-**
Net cash generated from operating activities	**2,145,151**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	**(186,839)**
Net cash used in investing activities	**(186,839)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of share capital	**2**
Net cash used in financing activities	**2**
Net change in cash and cash equivalents	**1,958,314**
Cash and cash equivalents at the beginning of the period	**-**
Exchange difference on translation of foreign currency cash and cash equivalents	**(2)**
Cash and cash equivalents at the end of the period	**1,958,312**

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS **1-19**

As per our report of even date attached.

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Chartered Accountants
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Amit Kapur
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Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Consultancy Services Bulgaria EOOD ("the Company") provides IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model recognised as a benchmark of excellence in software development.The Company will provide F&A operations supporting EU region for Xerox for the F&A consolidation / transformation initiative.

The Company was incorporated on 31 August, 2021 in Bulgaria. The registered address of the Company is Sofia Business Park, Building 3, 1st Floor, 1766 Sofia, Bulgaria. Tata Consultancy Services Bulgaria EOOD is a 100% subsidiary of Tata Consultancy Services Ireland Limited.

This is the first set of financial statements of the Company and covers the period from the date of incorporation, 31 August, 2021 to 31 December, 2021.

2. STATEMENT OF COMPLIANCE

These special purpose financial statements have been prepared in accordance with the International Financial Reporting Standards (referred to as "IFRS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time, for sole purpose of inclusion for Tata Consultancy Services Limited (Intermediate Holding Company) under the requirement of Section 129(3) of the Companies Act, 2013('the Act'). The presentation currency of these financial statements is BGN.

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instrument 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 or non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customer and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows have been prepared using the 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional and reporting currency of the Company is Bulgarian lev ("BGN").

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.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements is in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

The company uses the following critical accounting estimates in preparation of its financial statements:

Notes forming part of the Financial Statements

a. Revenue recognition

Revenue for fixed-price contracts are recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

b. Useful lives of property, plant and equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. 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.

d. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

f. Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

g. Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID- 19.

5. NATURE AND PURPOSE OF RESERVES

a. Retained earnings

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

6. RECENT ACCOUNTING STANDARDS

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

Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use[1]
Amendments to IAS 37	Onerous contracts - Costs of fulfilling a contract[1]
Amendments to IFRS 3	Business combinations – Reference to conceptual framework[1]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[1]
Amendments to IAS 1	Classification of Liabilities[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single transaction[2]

[1] Effective for annual periods beginning on or after January 1, 2022.

[2] Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 – Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Group does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes forming part of the Financial Statements

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non- current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group will evaluate the impact, if any, in its financial statements.

7. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The company derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized 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 recognized in profit or loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a) Cash and Cash Equivalents

(Amount in BGN)

	As at December 31, 2021
Cash in hand	-
Balances with bank	**1,958,312**
Total	**1,958,312**

Notes forming part of the Financial Statements

b) Trade Receivables

Trade receiavbles consist of the following:

(Amount in BGN)

Trade receivables - Current	As at December 31, 2021
Trade receivables	283,925
Less: Allowance for doubtful trade receivables	-
Total	283,925

c) Trade payables.

Trade payables consist of the following:

(Amount in BGN)

Trade payables - Current	As at December 31, 2021
Trade payables	(5,011)
Total	(5,011)

d) Other financial liabilities - current

(Amount in BGN)

	As at December 31, 2021
Accrued payroll	135,480
Accrued expenses	107,800
Unsecured Borrowings - loan from related parties	2,934,374
Total	3,177,654

e) Financial instruments by category

The carrying value of financial assets and financial liabilities as at December 31, 2021 is as follows:

(Amount in BGN)

	Amortized cost	Total carrying value
Financial assets		
Cash and cash equivalents	1,958,312	1,958,312
Trade receivables	283,925	283,925
Unbilled receivables	1,847,551	1,847,551
Total	4,089,788	4,089,788
Financial liabilities		
Trade payables	(5,011)	(5,011)
Other financial liabilities	3,177,654	3,177,654
Total	3,172,643	3,172,643

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at December 31, 2021 approximate the fair value.

f) 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.

g) Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rate may have potential impact on the statement of financial statement, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than functional currency of the company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The risk primarily relate to fluctuation of USD, GBP and EUR against the functional currency of the Company.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the company.

The following table sets forth information relating to foreign currency exposure as at December 31, 2021:

	USD (equivalent BGN)	EUR (equivalent BGN)
Net financial assets	**2,603,635**	**5,221**
Net financial liabilities		**2,949,743**

10% depreciation / appreciation of the respective foreign currencies with respect to functional currency of Tata Consultancy Services Bulgaria EOOD Company would result in decrease / increase in the Company's profit before taxes by approximately BGN 34,089 for the period ended December 31, 2021.

- **Interest rate risk**

The Company is not exposed to interest rate risk.

Notes forming part of the Financial Statements

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, cash and cash equivalents, and other financial assets.

- ***Exposure to credit risk***

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was BGN 4,325,868 as of December 31, 2021 being the total of the carrying amount of balances with bank, bank deposit, trade receivable, unbilled receivables, contract assets and other financial assets.

Tata Consultancy Services Bulgaria EOOD Company's exposure to customers is diversified and single customer contributes to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at December 31, 2021.

(Amount in BGN)

Client Name	As at December 31, 2021	
	Amount	**Percentage**
Customer A	**2,367,556**	**100%**

- ***Geographic concentration of credit risk***

The Company has a geographic concentration of trade receivables (net of allowances), unbilled receivables and contract assets as given below:

(Amount in BGN)

	As at December 31, 2021	
	Gross	**Net**
UK	**100%**	**100%**

Geographical concentration of trade receivables, unbilled receivables and contract assets is allocated based on the location of the customers.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at:.

(Amount in BGN)

December 31, 2021	**Due in 1st year**	**Due in 2nd to 5th year**	**Total**
Financial liabilities			
Trade and other payables	**(5,011)**	**-**	**(5,011)**
Other financial liabilities	**3,177,654**	**-**	**3,177,654**
Total	**3,172,643**	**-**	**3,172,643**

h. Equity instruments

(Amount in BGN)

	As at December 31, 2021
Authorised	
a) 2 ordinary shares of BGN 1 each	**2**
Issued, Subscribed and Fully paid up	
b) 2 ordinary shares of BGN 1 each	**2**

Share holding

	Percentage
Tata Consultancy Services Ireland Limited	**100%**

Capital management

The Company's objective for capital management is to maximize 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 product 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.

8 NON-FINANCIAL ASSETS AND 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 values 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.

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.

b. Capital work-in-progress

(Amount in BGN)

	As at Dec 31, 2021
Capital work in progress	**186,839**
Total	**186,839**

Notes forming part of the Financial Statements

c. Other assets

Other assets consist of the following:

(Amount in BGN)

Other assets - Current	As at Dec 31, 2021
Advance to suppliers	**2,656**
Prepaid expenses - Current	**4,204**
Tax Credit Entitlements	**45,321**
Contract assets - Current	**236,080**
Other advances, Gross	**14,920**
Total	**303,181**

d. Other liabilities.

Other liabilities consist of the following:

(Amount in BGN)

Other liabilities - current	As at Dec 31, 2021
Indirect tax payable and other statutory liabilities	**99,379**
Total	**99,379**

9. REVENUE RECOGNITION

The Company earns revenue primarily from providing information technology, consultancy services and business solutions for its customers. The Company offers a consulting-led, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.

- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The contract cost used in computing the revenues include cost of fulfilling warranty obligations.

- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method .

- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Transaction price attributed in case of contracts with subsidiary is arrived at on the basis of arm's length price. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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 the 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 is excess of revenue 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 is 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Notes forming part of the Financial Statements

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

(Amount in BGN)

	For the period Aug 31, 2021 to Dec 31, 2021
Revenue from consultancy services	**2,367,779**
Revenue from sale of equipment and software licences	
Total	**2,367,779**

Revenue disaggregation by industry vertical is as follows:

(Amount in BGN)

Industry vertical	For the period Aug 31, 2021 to Dec 31, 2021
Hi-Tech Industry Practice	**2,367,779**
Total	**2,367,779**

Revenue disaggregation by geography is as follows:

(Amount in BGN)

Geography	For the period Aug 31, 2021 to Dec 31, 2021
America	**223**
UK	**2,367,556**
Total	**2,367,779**

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

(Amount in BGN)

Changes in contract assets is given below:	For the period Aug 31, 2021 to Dec 31, 2021
Opening balance as at August 31, 2021	**-**
Add: Revenue recognized during the period	**237,766**
Less: Invoices raised during the period	**-**
Add / (Less): Translation during the year	**(1,686)**
Closing balance as at December 31, 2021	**236,080**

10. 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 doubtful trade receivables and advances, 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.

(Amount in BGN)

Expenses by function	**For the period Aug 31, 2021 to Dec 31, 2021**
Cost of revenue	**998,451**
Selling, general and administrative expenses	**35,450**
Total	**1,033,901**

Costs and expenses are recognized when incurred and have been classified according to their nature.

(Amount in BGN)

Expenses by nature	**For the period Aug 31, 2021 to Dec 31, 2021**
Other operating expenses	
Project expenses	**2,219**
Fees to external consultants	**99,473**
Other expenses	**30,007**
Total	**131,699**

11 . OTHER INCOME

(Amount in BGN)

Other gains (net)	**For the period Aug 31, 2021 to Dec 31, 2021**
Net foreign exchange loss	**13,510**
Total	**13,510**

Notes forming part of the Financial Statements

12 . FINANCE COSTS

Finance costs consist of the following:.

	For the period Aug 31, 2021 to Dec 31, 2021
Interest on bank overdrafts and loans	**12,583**
Total	**12,583**

13 . INCOME TAXES

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current income taxes

Current tax is based on the taxable profit for the year and is calculated using tax rates that have been enacted by the end of the reporting period. 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.

Deferred income taxes.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where 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.

The income tax expense consists of the following:

(Amount in BGN)

Current tax	For the period Aug 31, 2021 to Dec 31, 2021
Current tax expense for current year	**130,778**
Current tax (benefit) / expense pertaining to prior years	**-**
Total	**130,778**

Deferred tax	For the period Aug 31, 2021 to Dec 31, 2021
Deferred tax expense for current year	-
Deferred tax expense pertaining to prior years	-
Total tax expense	**130,778**

The reconciliation of estimated income tax expense at the Statutory income tax rate to income tax expense reported in statement of profit or loss and other comprehensive income is as follows:

(Amount in BGN)

Current tax expenses	For the period Aug 31, 2021 to Dec 31, 2021
Income before taxes	1,307,784
Statutory tax rate	10.00%
Expected income tax expense	130,778
Tax pertaining to prior years:	-
Current tax	-
Deferred tax	-
Total tax expense	**130,778**

14. EMPLOYEE BENEFITS

The Company provides for amount payable to be employees for compensated absences as per the company's policy, which are expected to occur within twelve months after the end of the period in which the employee render the related services are recognised as undiscounted liability at the date of statement of financial position.

Employee cost consist of the following:

(Amount in BGN)

	For the period Aug 31, 2021 to Dec 31, 2021
Salaries & bonus	787,067
Contributions to social security	104,160
Staff welfare	10,976
Total	**902,203**

Staff numbers

Average number of persons employed by the company (including directors) during the year is 86.

15. RELATED PARTY TRANSACTIONS

Tata Consultancy Services Bulgaria EOOD's principal related parties consist of its ultimate holding company Tata Sons Private Limited, its parent of holding company Tata Consultancy Services Limited and its subsidiaries, affiliates and its key managerial personnel. The Company routinely enters into transactions with its related parties in the ordinary course of business.

Notes forming part of the Financial Statements

Transactions with related parties

(Amount in BGN)

Particulars	For the period August 31, 2021 to December 31, 2021			
	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Parent of Holding Companyy	With Subsidiaries of TCSL	Total
Brand equity contribution	5,919	-	-	5,919
Finance cost	-	-	12,583	12,583

Balances with related parties

(Amount in BGN)

Particulars	For the period August 31, 2021 to December 31, 2021			
	With Tata Sons Private Limited, Ultimate Holding Company	With Tata Consultancy Services Limited, Parent of Holding Companyy	With Subsidiaries of TCSL	Total
	-	-	-	-
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	5,919	-	12,583	18,502
Borrowings	-	-	2,934,374	2,934,374

16 . DIRECTOR'S REMUNERATION

Remuneration paid/ payable to directors for the year ended is Nil.

17 . GOING CONCERN

Management have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the possible impacts in relation to COVID 19, which is at least, but not limited to, twelve months from the end of the reporting period. Based on the analysis they have concluded that the Company has sufficient resources to continue as a going concern.

18 .SUBSEQUENT EVENTS

There have been no circumstances of a material nature that have occurred between the financial year end and the date of approval of these financial statements that require adjustment or disclosure in the financial statements.

19 .COMPARATIVE FIGURES

This being the first IFRS Financial Statements of the Company, previous period figures are not applicable.

As per our report of even date attached.

For KBJ & Assoicates
Chartered Accountants
Firm registration number : 114934W

Kaushik B. Joshi
Proprietor
Membership No: 48889

Mumbai,
Date: 11 May, 2022

For and on behalf of the Board of Directors
of Tata Consultancy Services Bulgaria EOOD

Amit Kapur
Director
United Kingdom

Niraj Sanghvi
Director
Germany

TATA CONSULTANCY SERVICES GUATEMALA, S.A.

FINANCIAL STATEMENTS

For the year ended December 31, 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF
TATA CONSULTANCY SERVICES GUATEMALA, S.A.

Opinion

We have audited the financial statements of Guatemala, S.A., (the "Company"), which comprise the statement of financial position as of December 31, 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tata Consultancy Services Guatemala, S .A. as of December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guatemala, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 4g of the accompanying financial statements, which indicates that the company has considered the possible impacts of COVID in the preparation of the financial statements.

Other Matter

Comparative financial statements are not presented due that the company began operations in September 2021.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether TCS Solution Center S.A.'s financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

February 8, 2022

VERTICE FINANCIERO, S.A.

Members of

CROWE

A venida Reforma 7-62, Zona 9

Edificio Aristos Reforma, Oficina 802

Guatemala, City

Statement of Financial Position

(In Quetzals)

	Note	As at December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	6 (a)	**2,657,689**
Trade receivables		
Billed	6 (b)	**1,589,162**
Unbilled		**9,149,377**
Other financial assets	6 (c)	**2,588,776**
Other assets	8 (c)	**1,302,606**
Total current assets		**17,287,610**
Non-current assets		
Deferred tax assets (net)		**66,419**
Property, plant and equipment	8 (a)	**1,082,066**
Total non-current assets		**1,148,485**
TOTAL ASSETS		**18,436,095**
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Trade payables		**927,408**
Other financial liabilities	6 (e)	**2,304,148**
Employee benefit obligations	13 (a)	**1,381,252**
Income tax liabilities (net)		**797,795**
Other liabilities	8 (d)	**413,095**
Total current liabilities		**5,823,698**
Non-current liabilities		
Borrowings	6 (d)	**2,895,000**
Total non-current liabilities		**2,895,000**
TOTAL LIABILITIES		**8,718,698**
Equity		
Share Capital	6 (i)	**7,800.000**
Retained earnings		**1,917,397**
TOTAL EQUITY		**9,717,397**
TOTAL LIABILITIES AND EQUITY		**18,436,095**

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Statement of Profit or Loss and Other Comprehensive Income

(In Quetzals)

	Notes	As at December 31, 2021
Revenues	9	**11,894,920**
Operating expenses		
Employee benefits expenses	13	**8,138,446**
Depreciation and amortisation expense	7 and 8	**15,969**
Other operating expenses	10	**1,046,017**
TOTAL OPERATING EXPENSES		**9,200,432**
Operating profit		**2,694,488**
Other income / expenses		
Finance costs	11 (a)	**(26,572)**
Other (losses), net	11 (b)	**(19,143)**
OTHER INCOME / EXPENSES (NET)		**(45,715)**
Profit before Taxes		**2,648,773**
Income tax expense	12	**731,376**
PROFIT FOR THE PERIOD/YEAR		**1,917,397**
OTHER COMPREHENSIVE INCOME, NET OF TAXES		**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,917,397**

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Statement of Changes in Equity

(In Quetzals)

	Note	Equity share capital	Retained earnings	Total equity
Balance as at Jan 1, 2021				
share capital (7800 shares at GTQ 1.000)		**7,800,000**	**-**	**7,800,000**
Profit for the year		**-**	**1,917,397**	**1,917,397**
Balance as at December 31, 2021	6(i)	**7,800,000**	**1,917,397**	**9,717,397**

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

Statement of Cash Flows

(In Quetzals)

	Note	As at December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period/year		1,917,397
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortisation expense		15,969
Income tax expense	12	731,376
Unrealised foreign exchange (gain)		(6,675)
Operating profit before working capital changes		2,658,067
Net change in		
Trade receivables		
Billed		(1,589,162)
Unbilled		(9,149,377)
Other financial assets		(2,588,776)
Other assets		(1,302,606)
Trade payables		927,408
Other financial liabilities		2,304,148
Other liabilities and Provisions		1,794,347
Cash generated from operations		(6,945,951)
Net cash provided by (used in) operating activities		(6,945,951)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment of Purchase of property and plant, equipment		(1,098,035)
Net cash generated on (used in) investing activities		(1,098,035)
CASH FLOWS FROM FINANCING ACTIVITIES		
share capital (7800 shares at GTQ 1.000)		7,800,000
Long term borrowings (net)	5	2,901,675
Net cash (used in) / provided by financing activities		10,701,675
Net Change Cash and cash equivalents,		2,657,689
Cash and cash equivalents, at end of period/year	6(a)	2,657,689
Supplementary cash flow information		
Interest received		1,728

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

1. CORPORATE INFORMATION

Tata Consultancy Services Guatemala S.A., with registered offices in Guatemala City (Diagonal 6 10-65 Zone 10 Las Margaritas Office 202 A Tower 1), was incorporated according to Guatemalan Law on September 1, 2021 through the testimony of deed No. 111 and No. 112 under registration N ° 20170 Folio: 919 of the Electronic Book 91 of mercantile companies. Its corporate purpose is the provision of professional services within the IT, telecommunications, and engineering fields, consultancy services, delegated administration of IT services and business processes (outsourcing).

The authorized share capital of the Company is Seven Million Eight Hundred Thousand Quetzals (Q 7,800,000.00), represented by Seven Thousand Eight Hundred (7,800) shares with a par value each share of One Thousand Quetzales (Q1, 000.00) each one of them. The Shareholders of the Company are TCS Iberoamerica S.A. (Owns 99 percent of the shares of the subscribed and paid capital stock) and TCS Uruguay S.A. (Owns 1 percent of the shares of the subscribed and paid capital stock). Both Shareholders are registered offices are in the Oriental Republic of Uruguay.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), with their interpretations, conceptual framework, conclusion foundations and application guides authorized and issued by the International Accounting Standards Board (IASB); and other legal provisions defined by surveillance entities that may differ in some aspects with those set out by other state control bodies..

On February 7, 2022, the Shareholders authorized the issuance of the financial statements.

3. BASIS OF PREPARATION

These financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

Cash flows have been prepared 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 Company 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 Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company is the Guatemalan Quetzal (GTQ). 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 recognized in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

The Company began operations on September 17, 2021 accordingly there are no comparative information included in the financial statement

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the recognition and measurement principles of International Financial Reporting Standards (IFRS) requires management to make estimates and judgment's that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the 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 recognized in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a. Revenue Recognition

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

b. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment and intangibles at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. 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.

d. Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

e. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgement to disclose 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

f. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

g. Impact of COVID-19

The Company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on leases etc.

5. RECENT ACCOUNTING STANDARDS

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

Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use[1]
Amendments to IAS 37	Onerous Contracts - Costs of Fulfilling a Contract[1]
Amendments to IFRS 3	Business Combinations-Reference to Conceptual Framework[1]
Annual Improvements to IFRS Standards 2018-2020	IFRS 9 and IFRS 16[1]
Amendments to IAS 1	Classification of Liabilities[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]

1. Effective for annual periods beginning on or after January 1, 2022.
2. Effective for annual periods beginning on or after January 1, 2023.

IAS 16 – Proceeds before intended use

In May 2020, IASB amended IAS 16, which prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract

In May 2020, IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 3 – Reference to Conceptual Framework

In May 2020, IASB published Reference to Conceptual Framework, that update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. These changes do not significantly change the requirements of IFRS 3. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 9 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB amended IFRS 9 as part of its Annual Improvements to IFRS Standards 2018-2020. The amendment clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

IFRS 16 – Annual Improvements to IFRS Standards - 2018-2020

In May 2020, IASB issued an amendment to Illustrative Example 13 accompanying IFRS 16, as part of its Annual Improvements to IFRS Standards - 2018-2020, which removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment is only as regards the Illustrated Example, therefore, no effective date is stated. The Company does not expect the amendment to have any significant impact in its financial statements.

IAS 1 – Classification of Liabilities

In January 2020, IASB issued the final amendments in Classification of Liabilities as Current or Non-Current, which affect only the presentation of liabilities in the statement of financial position. They clarify that classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. They make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Company does not expect the amendments to have any significant impact on its presentation of liabilities in its statement of financial position.

IAS 1 – Disclosure of Accounting Policies

In February 2021, IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' which is intended to help entities in deciding which accounting policies to disclose in their financial statements. The amendments to IAS 1 require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 8 – Definition of Accounting Estimates

In February 2021, IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

IAS 12 – Income Taxes

In May 2021, IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company will evaluate the impact, if any, in its financial statements.

6. FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company´s obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

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

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Impairment of financial assets (other than at fair value)

The Company 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 Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

a. Cash and cash equivalents

Cash and cash equivalents consist of the following:

(In Quetzals)

	As at December 31, 2021
Balances with banks	**2,657,689**
Total	**2,657,689**

b. Trade receivables - Billed

Trade receivables - Billed consist of the following:

(In Quetzals)

Trade receivables Billed – Current	As at December 31, 2021
Trade receivables Billed	1,589,162
Total	1,589,162

c. Other financial assets

Other financial assets consist of the following:

(In Quetzals)

Other financial assets – Current	As at December 31, 2021
Security deposits	58,059
Others	2,530,717
Total	2,588,776

d. Borrowings

Borrowings consist of the following:

(In Quetzals)

	As at December 31, 2021
Loans from related party	2,895,000
Total	2,895,000

e. Other financial liabilities

Other financial liabilities consist of the following:

(In Quetzals)

Other financial liabilities – Current	As at December 31, 2021
Capital creditors	483,670
Accured payroll	921,944
Accured interest	26,534
Others	872,000
Total	2,304,148

f. Financial instruments by category

The carrying value of financial instruments by categories as of December 31, 2021 is as follows:

(In Quetzals)

	Amortised Cost	Total carrying Value
Financial assets:		
Cash and cash equivalents	**2,657,689**	**2,657,689**
Trade receivables		
Billed	**1,589,162**	**1,589,162**
Unbilled	**9,149,377**	**9,149,377**
Other financial assets	**2,588,776**	**2,588,776**
Total	**15,985,004**	**15,985,004**
Financial liabilities:		
Trade payables	**927,408**	**927,408**
Borrowings	**2,895,000**	**2,895,000**
Other financial liabilities	**2,304,148**	**2,304,148**
Total	**6,126,556**	**6,126,556**

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at December 31, 2021 approximate the fair value. Difference between carrying amounts and fair values of other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented. Fair value measurement of lease liabilities is not required.

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.

h. Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company´s exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10 percentage against the respective functional currency of the Company.

The following analysis has been worked out based on the net exposures for Company as at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity.

The following table sets forth information relating to foreign currency exposure as of December 31, 2021:

(In Quetzals)

	USD	TOTAL
Net financial assets	**10,746,182**	**10,746,182**
Net financial liabilities	**4,991,518**	**4,991,518**

10 percentage appreciation / depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before taxes by approximately 575,466 Quetzals for the year ended December 31, 2021.

- **Interest rate risk**

The Company is not exposed to interest rate risk.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents and other financial assets. Cash and cash equivalents include an amount of 2,657,689 Quetzals held with a bank in Guatemala having high quality credit rating which are individually in excess of 10 percentage or more of the Company's total cash and cash equivalents as of December 31, 2021. None of the other financial instruments of the Company result in material concentration of credit risk..

- **Exposure to credit risk**

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was 17,130,883 Quetzals as of December 31, 2021, being the total of the carrying amount of balances with banks, trade receivables, contract assets and other financial assets.

Company's exposure to customers is concentrated, and single customer which contributes individually to more than 10 percentage of outstanding trade receivable, and contract assets as at December 31, 2021 as follows:

(In Quetzals)

	As at December 31, 2021	
	Total trade, receivables and contract assets	Percentage
Customer A	**11,526,171**	**97**

Geographic concentration of credit risk

Geographic concentration of Trade Receivables, and Contract Assets is as follows:

	As at December 31, 2021
	Net percentage
America	**100**

Geographical concentration of Trade Receivables, and Contract Assets is allocated based on the location of the customers.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due..

The tables below provide details regarding the contractual maturities of significant financial liabilities as of::

(In Quetzals)

December 31, 2021	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th years	Total
Non-derivative financial liabilities:					
Trade payables	**927,408**	**-**	**-**	**-**	**927,408**
Borrowings	**321,676**	**965,028**	**1,608,296**	**-**	**2,895,000**
Other financial liabilities	**2,304,148**	**-**	**-**	**-**	**2,304,148**
Total	**3,553,232**	**965,028**	**1,608,296**	**-**	**6,126,556**

i Equity instruments

The authorized, issued, subscribed and fully paid-up share capital consists of the following::

(In Quetzals)

	As at December 31, 2021
Authorised	
Equity shares of `1.000 each	**7,800,000**
Issued, Subscribed and Fully paid up	
Opening balance of equity shares of `1.000 each	**7,800,000**

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.

7. LEASES

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration..

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognizes 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 assets 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 assets 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 recognized in profit or loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and profit or loss depending upon the nature of modification. Where the carrying

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amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in profit or loss. 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 Company recognises any remaining amount of the re-measurement in profit or loss.

The Company has elected not to apply the requirements of IFRS 16 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.

8. NON-FINANCIAL ASSETS AND 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 values 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 Assets.	Useful lives
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture, fixtures, office equipment and other assets	4-10 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:

(In Quetzals)

	Computer equipments	Total
Gross block as of January 1, 2021		
Purchases	**613,551**	**613,551**
Disposals	**-**	**-**
Gross block as at December 31, 2021	**613,551**	**613,551**
Accumulated depreciation as of January 1, 2021		
Disposals	**-**	**-**
Depreciation for the period	**15,969**	**15,969**
Accumulated depreciation as of December 31 2021	**15,969**	**15,969**
Net carrying amount as at December 31,2021	**597,582**	**597,582**
Capital work-in-progress	**484,484**	**484,484**
Total	**1,082,066**	**1,082,066**

b. 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.

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

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.

As of December 31, 2021 Company did not have Intangible assets.:

c. Other assets

Other assets consist of the following:

(In Quetzals)

Other assets – Current	As at December 31, 2021
Advance to suppliers	**40,571**
Indirect tax recoverable	**116,156**
Contract assets	**1,145,879**
Total	**1,302,606**

Refer note 9 for changes in contract assets

d. Other liabilities

Other liabilities consist of the following:

(In Quetzals)

Other liabilities – Current	As at December 31, 2021
Indirect tax payable and other statutory liabilities	**400,747**
Others	**12,348**
Total	**413,095**

9. REVENUE RECOGNITION

The Company earns revenue primarily from providing IT services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services..

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degree of completion of the performance obligation. The

contract cost used in computing the revenues include cost of fulfilling warranty obligations.

- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method .

- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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 the 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 is excess of revenue 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 is billings in excess of revenues.

The billing schedules agreed with customers could 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 Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

(In Quetzals)

	Year ended December 31, 2021
Consultancy Services	**11,894,920**
Total	**11,894,920**

Revenue disaggregation by industry vertical is as follows:

(In Quetzals)

	Year ended December 31, 2021
Industry vertical	
Communication media technology	**11,894,920**
Total	**11,894,920**

Revenue disaggregation by geography is as follows:

(In Quetzals)

	Year ended December 31, 2021
Geography	
America	**11,894,920**
Total	**11,894,920**

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

While disclosing the aggregate amount of transaction price yet to be recognized as revenue towards unsatisfied or partially satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in IFRS 15. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Nil Quetzals, out of which Nil percentage is expected to be recognized as revenue within the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets are as follows:

(In Quetzals)

	Year ended December 31, 2021
Balance at the beginning of the year	**-**
Increase due to revenue recognized during the year, excluding amounts billed during the year	**1,152,630**
Translation exchange difference	**(6,751)**
Balance at the end of the year	**1,145,879**

10. COST RECOGNITION

Costs and expenses are recognized when incurred and have been classified according to their nature in the following categories:

The costs of the Company are broadly categorized into employee benefits expenses, depreciation and amortization and other operating expenses. Employee benefits expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, facility expenses and other expenses.

Other operating expenses

(In Quetzals)

	Year ended December 31, 2021
Facility Expenses	**523**
Fees to External consultants and others	**385,668**
Other Expenses	**659,826**
Total	**1,046,017**

Expenses by function.

	Year ended December 31, 2021
Cost of revenue	**8,575,850**
Selling general and adminstrative expenses	**624,582**
Total	**9,200,432**

11. Other income

a. Finance costs

(In Quetzals)

	Year ended December 31, 2021
Interest on loans other than banks	**26,572**
Total	**26,572**

b. Other gain/(losses), net

(In Quetzals)

	Year ended December 31, 2021
Net foreign exchange gains/(losses)	**(20,871)**
Others	**1,728**
Total	**(19,143)**

12. INCOME TAXES

The income tax expense of the period comprises the current and deferred income tax. The tax is recognized in the income statement, except where it is about items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes

The charge for current income tax is calculated based on enacted, or substantially enacted, tax laws at the balance sheet date. The management assesses periodically the positions assumed in the tax returns filed regarding situations in which the tax laws are subject to interpretation. The Company, as corresponds, creates provisions on amounts expected to be obliged to pay to tax authorities.

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.

Deferred income taxes

Deferred income tax is recognized, by using the balance sheet approach , on temporary differences arising between the tax assets and liabilities basis and their respective amounts recorded in the financial statements.

The deferred income tax assets are only recognized to the extent future tax benefits are produced against which temporary differences may be used. The deferred income tax is determined by using tax rates that have been promulgated at the balance sheet date and it is expected they will be applicable when deferred income tax assets are realized or income tax liabilities are paid.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities from revenue refer to income tax corresponding to the same tax authority.

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.

(In Quetzals)

	Year ended December 31, 2021
Current tax	
Current tax expense for current period/year	**797,795**
	797,795

	Year ended December 31, 2021
Deferred taxes	
Deferred taxes (benefit) /expense for current period/year	**(66,419)**
	(66,419)
Total	**731,376**

The income tax expense consists of the following:

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit or loss is as follows:

(In Quetzals)

	Year ended December 31, 2021
Profit before income taxes	**2,648,773**
Federal income tax rate	**25%**
Expected income tax expense	**662,193**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:	
Permanent differences :	**69,182**
Total income tax expense	**731,375**

Significant components of net deferred tax assets and liabilities for the year ended December 31, 2021 are as follows:

(In Quetzals)

	Opening balance	Recognised in profit or loss	Closing balance
Deffered tax assets in realation to			
Provission for employee benefits	**-**	**66,419**	**66,419**
Total Deffered tax asstes/ liabilties	**-**	**66,419**	**66,419**

Direct tax contingencies

There are no contingencies in relation to Direct tax matters.

13. EMPLOYEE BENEFITS

Defined contribution plans

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

The Company provides retirement benefits such as pension (other than Company managed fund) and foreign defined contribution plans to its employees which are treated as defined contribution plans.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the date of statement of financial position.

Employee cost consist of the following:

(In Quetzals)

	Year ended December 31, 2021
Salaries, incentives and allowances	**7,261,544**
Contributions to Provident and Other Funds	**763,807**
Staff Welfare expenses	**113,095**
Total	**8,138,446**

Employee benefit obligations consist of the following:

(In Quetzals)

(a) Employee benefit obligations – Current	Year ended December 31, 2021
Benefits to employees	1,381,252
Total	**1,381,252**

14 COMMITMENTS AND CONTINGENCIES

Commitments

The Company has contractually capital commitment (net of advances) Nil Quetzals as at December 31, 2021 for purchase of property, plant and equipment..

Contingencies

- **Direct tax matters**

  Refer to Note No.12

- **Indirect tax matters**

  There is no contingency in relation to Indirect tax matters.

15. RELATED PARTY TRANSACTIONS AND BALANCES

Company's principal related parties consist of its ultimate holding company Tata Consultancy Services Limited and its subsidiaries, affiliates and key managerial personnel. The company's related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Transactions with related parties are as follows:

Purchases of goods and services (including reimbursements)

(In Quetzals)

	Year ended December 31, 2021
Subsidiaries of Tata Consultancy Services Limited	
Tata Consultancy Services De Mexico S.A.,De C.V.	306,519
Total	**306,519**

interest expense

(In Quetzals)

	Year ended December 31, 2021
Subsidiaries of Tata Consultancy Services Limited	
TCS Uruguay S.a	26,572
Total	**26,572**

Balances receivable and payable to related parties are as follows

Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities

(In Quetzals)

	Year ended December 31, 2021
Subsidiaries of Tata Consultancy Services Limited	
TCS Iberoamerica S.A.	**764,280**
TCS Uruguay S.A.	**34,254**
Tata Consultancy Services De Mexico S.A.,De C.V.	**405,893**
Total	**1,204,427**

Loan

(In Quetzals)

	Year ended December 31, 2021
Subsidiaries of Tata Consultancy Services Limited	
TCS Uruguay S.A.	**2,895,000**
Total	**2,895,000**

Compensation to key management personnel

No payments have been done to Key Managerial Personnel in the period ended December 31, 2021

16 SUBSEQUENT EVENT

There were no subsequent events that need disclosure.

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TATA CONSULTANCY SERVICES

TATA

TCS Safe Harbor Clause

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to, our ability to manage growth, intense competition among global IT services companies, various factors which may affect our profitability, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on cross-border movement of skilled personnel, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which TCS has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property, pandemics, natural disasters and general economic conditions affecting our industry. TCS may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

IT Services
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Building on belief