TATA CONSULTANCY SERVICES

TATA

Innovate, Adapt, Thrive

Integrated IFRS Annual Report

2022-23

About TCS

Tata Consultancy Services is an IT services, consulting and business solutions organization that has been partnering with many of the world's largest businesses in their transformation journeys for over 55 years. Its consulting-led, cognitive powered, portfolio of business, technology and engineering services and solutions is delivered through its unique Location Independent Agile™ delivery model, recognized as a benchmark of excellence in software development.

A part of the Tata group, India's largest multinational business group, TCS has over 614,000 of the world's best-trained consultants in 55 countries. The company generated consolidated revenues of US $27.9 billion in the fiscal year ended March 31, 2023, and is listed on the BSE and the NSE in India.

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

Innovate, Adapt, Thrive.

This year's theme reflects the agility that enterprises require to thrive in a fast-changing, uncertain world. For two years, enterprises battled for scarce talent to embrace the cloud and experiment with powerful technologies like AI and ML. They had just gotten started on their growth and transformation journeys when the war in Europe changed everything. With raging inflation and resultant interest rate hikes dampening global economic outlook, companies are now recalibrating their plans and adapting to the changed circumstances.

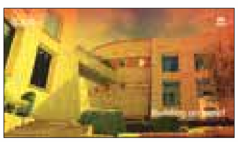
TCS, with its full services capability, helps clients thrive in good times and bad. It helped them move to the cloud, accelerate their innovation, adopt new business models and drive competitive differentiation. Now it is helping them adapt, transforming their operations and giving them the agility, resilience and efficiency needed to weather the storm. Its clients see it as their preferred all-weather partner, making its services an enterprise staple, and its business very resilient.

Recent Annual Report Themes

FY 2022

Innovating for Greater Futures

FY 2021



Building on Belief

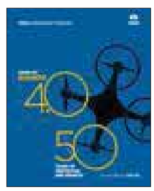
FY 2020

Purpose-driven. Resilient. Adaptable

FY 2019

Growth and Transformation with Business 4.0™

FY 2018



Dawn of Business 4.0™

Content

Board of **Directors**

Non-Independent, Non Executive

N Chandrasekaran
Chairman
C C M N

Aarthi
Subramanian
M N

Independent, Non Executive

O P Bhatt
C M M I

Dr Pradeep Kumar
Khosla
C M I

Hanne Sorensen
M M I

Non-Independent, Executive

K Krithivasan
CEO & MD
M M M NE

N G Subramaniam
COO & ED
M M NE

Keki Mistry
C C M I

Don Callahan
M M I

I Independent, Non-Executive Director
NE Non-Independent, Executive Director
N Non-Independent, Non-Executive Director

Board Committees C Chairman M Member

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

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

Average Age (years): 56 — 63 — 72

Average Tenure on the Board (years): 0 — 07 — 16

Board Independence (%)

56% Independent
44% Non-Independent

Average Tenure of Independent Directors on the Board (years): 04 — 06 — 11

Management **Team**

Corporate

K Krithivasan
Chief Executive Officer
and Managing Director

N G Subramaniam
Chief Operating Officer
and Executive Director

Samir Seksaria
Chief Financial Officer

Milind Lakkad
Chief Human Resources Officer

Rajashree R
Chief Marketing Officer

K Ananth Krishnan
Chief Technology Officer

Madhav Anchan
General Counsel Legal

Pradeep Manohar Gaitonde
Company Secretary

Business Heads

Susheel Vasudevan
Relationship Incubation Group

Krishnan Ramanujam
Enterprise Growth Group

Debashis Ghosh
Business Transformation Group

Suresh Muthuswami
Chairman – TCS North America

Amit Bajaj
North America

Amit Kapur
UK & Ireland

Sapthagiri Chapalapalli
Europe

Letter from the Chairman

The global environment is going through considerable changes. At the same time, the world is navigating several important transitions: the Energy transition, the Supply Chain transition and the AI transition. Undoubtedly, these transitions will require significant investments in technology and innovation, and offer a huge growth opportunity for the IT industry.

Dear Shareholder,

I am pleased to share that your company has done well in a volatile global environment in the year gone by. In FY 2023, your company delivered revenue of **$27,927 million**, a growth of **8.6%.** This growth has come at an industry-leading operating margin of **24.1%.**

TCS continues to play a crucial role with clients to enable their business transformation, helping them accelerate new technology adoption and bring agility into execution. We work with large enterprises on transformation initiatives to build a digital foundation for the future, enable strategic leverage of data and artificial intelligence (AI) and reimagine customer and employee experiences.

Your company delivered healthy client metrics enabled by new customer additions and deep client relationships. In FY 2023, growth has come from broad-based performance across markets and industry verticals. The order book continues to be strong, indicating demand for your company's services. From a talent perspective, the employee strength grew to over 614,000 associates with 35.7% women associates.

The global environment is going through considerable changes. Geopolitical factors such as the conflict between Russia and Ukraine, rising inflation and volatile commodity prices have caused slowing down of global growth and created stress in the overall economic environment.

At the same time, the world is navigating several transitions. Undoubtedly, these transitions will require significant investments in technology and innovation, and offer a huge growth opportunity for the IT industry.

The global **energy transition** is accelerating. Businesses are making clear commitments towards a sustainable future. There are many innovations across products, services, manufacturing, and delivery. New business models are also emerging. This requires investments in technology and innovation including electric mobility, renewable power, hydrogen and sustainable fuel. In addition, sustainability compliance and reporting requirements are fast evolving as new standards and regulations are coming into play. Across the facets of this transition, investments in IT and digital technology will be an important enabler for businesses.

The **supply chain transition** resulting from the geo-political situation is altering the global supply chains. Companies are rebalancing their supply chains for resilience and efficiency. New global supply chain ecosystems are being created with India playing an important role. This is being led by significant capital investments in technology to set-up 'digital-first' manufacturing and supply chain operations as well as to build ecosystem integration with partners.

In the past decade, there has been a rapid evolution of digital technologies, bringing about a transformation across every industry. Now, the advancements in AI have made **AI transition** a central focus. The impact of AI and Machine learning is going to be profound. There is a transition already underway from predictive AI to generative AI. Majority of the businesses are still adopting predictive AI and are on the journey of capturing large volume of data, harnessing the power of cloud and IoT. There are varying levels of adoption in companies across sectors. Leveraging generative AI would further require technology innovation and investments.

There is another important area that companies need to focus on – building talent for the future. The energy, supply chain and AI transitions are going to require companies to reskill/upskill existing talent base, hire and integrate new talent and invest in research. Our technology strengths make us well-placed to respond to the global demand and scale up our talent base.

As the future of work is evolving, enterprises globally are also assessing their approach to talent. Today, companies can tap into talent anywhere and leaders need to learn how to harness the global talent pool effectively. Technology and tools are facilitating collaboration and enabling virtual and hybrid models of work. Harnessing this talent will need an approach that leverages technologies like AI and cloud to enable effective employee engagement and collaboration.

Your company is significantly investing in building AI capabilities which include products and platforms that are AI-powered. Over the last few years, your company has leveraged partnerships to design and orchestrate a completely indigenous software-defined 4G/5G network stack. 5G technologies along with IoT, edge and AI will enable new digital transformation opportunities across industries, both industrial and consumer. We will also invest in research areas important for the future, in collaboration with our global academic partners and start-up ecosystem.

I would like to thank Rajesh Gopinathan for his contribution during his tenure as CEO & MD and I wish him the very best for the future. I also take this opportunity to wish K Krithivasan the very best in his new role as CEO & MD of your company.

On behalf of the Board of Directors of Tata Consultancy Services, I want to thank you for your continued trust, confidence, and support.

Warm regards,
N Chandrasekaran
Chairman

Our full services capability enables us to help our clients thrive, in good times and bad. During the up-cycle, we help clients accelerate and expand their technology-led innovation to differentiate themselves and drive growth. On the down cycle, we help them adapt, using technology to drive the efficiency, agility and resilience needed to cope with a faltering economy, and prepare for better times ahead.

Letter to Shareholders

Dear Stakeholder,

Demand for our services showed remarkable resilience even as other parts of the technology universe deflated, and macroeconomic uncertainties worsened in our major markets throughout FY 2023. Our revenue for the year was **$27,927 million**, a growth of **8.6%** over the prior year (**13.7%** in constant currency).

This growth came with an industry leading operating margin of **24.1%**. Our Net Margin was at **18.7%**. The Earnings Per Share was at **$1.43**, a growth of **2.7%** over the prior year.

From an industry vertical perspective, growth in FY 2023 was led by Retail and Consumer Business, which grew **12.8%**, Life Sciences and Healthcare which grew **11.0%** and Communications, Media and Technology which grew **9.2%**. Banking, Financial Services and Insurance grew **5.9%** while Manufacturing grew **5.5%**. Others, which make up **8.2%** of revenues, grew **13.0%**.

By geographic markets, North America grew **14.8%**, UK grew **2.9%** and Continental Europe grew **0.9%**. Among emerging markets, Latin America grew **15.1%**, India grew **6.2%**, Middle East & Africa grew **3.5%** while Asia Pacific declined **1.0%**.

The Board has recommended a final dividend of **$0.29** per share, bringing the total dividend for the year to **$1.40** per share. For the full year, the company's shareholder payout was **$5,136 million**, **100.1%** of the free cash flow during the year.

Innovate, Adapt, Thrive

Our performance this year reflects how much of an enterprise staple IT services have become. Our full services capability enables us to help our clients thrive, in good times and bad. During the up-cycle, we help clients accelerate and expand their technology-led innovation to differentiate themselves and drive growth. On the down cycle, we help them adapt, using technology to drive the efficiency, agility and resilience needed to cope with a faltering economy, and prepare for better times ahead.

Cloud transformation remained a high priority area for enterprises in FY 2023, with greater focus on execution. They engaged us to take up the modernization and migration of their bigger, more complex workloads. The breadth and depth of our cloud expertise, our scale, deep domain knowledge, strong partnership credentials with the hyperscalers and our portfolio of intellectual property on the cloud, give us a distinct competitive edge in this phase of the cloud adoption cycle.

We also helped clients cope with the challenge of managing cloud expenses. In some cases, it required rearchitecting their application stack to be more cloud native, capable of dynamically ramping up resource consumption during periods of high demand, and automatic ramping down at other times. Elsewhere, we offered our FinOps advisory and cloud managed services to rein in cloud costs.

The adoption of cloud technologies continues to drive innovation within enterprises. The availability of compute, data and networks at scale provides access to powerful technologies like advanced analytics and machine learning, applied to diverse areas like computer vision, text and speech processing, in domains like dynamic supply chain optimization, new molecule discovery in life sciences and usage-based pricing of insurance coverage.

Newer developments like generative AI, large language models, and quantum computing triggered more experimentation and innovation by our clients. Our investments in research and innovation across different industries, and our Pace innovation architecture have positioned us well to partner with them in these initiatives. Our Agile Innovation Cloud offering, where we create dedicated, location-independent innovation teams to help clients accelerate and scale up their innovation, gained further traction in FY 2023. 7 new clients signed up during the year, bringing the total to 30 clients.

Some of the emerging innovation themes that we helped customers with include ecosystem and multi-industry models underpinned by technologies like data marketplaces, API and blockchain, in industries like transportation and public sector; AI-powered autonomous robotics in the logistics industry, and new applications for digital twins in the BFSI, Telecom and Retail industries.

Within our growth and transformation (G&T) portfolio, business model innovation continued to be a key theme. For example, for a large Fortune 500 electric gas utility, we built the service delivery platform central to their new business model of providing warranty repair, refurbishment and replacement services of various home appliances to households.

Ingram Micro, one of the largest technology distributors in the US, engaged us as a partner to power their pivot into e-commerce and achieve their mission to transform from a traditional distributor to a platform company that does distribution. **Tapestry Inc**, a leading New York-based house of iconic accessories and lifestyle brands such as Coach, Kate Spade, & Stuart Weitzman, partnered with TCS to drive their omnichannel modernization and transform the customer journey experience.

Other G&T themes, such as M&A and sustainability continued to bring in high-profile deal wins and new strategic engagements for us in FY 2023. Elsewhere in this report, you can read about the work we did for **Philips Domestic Appliances** in its journey to be a standalone company, and how we helped **Eversource Energy** pursue its carbon neutrality aspirations.

Digital transformation, which began in the front office, towards enhancing customer experience, made further inroads within the enterprise during the year, unlocking tremendous value in the middle and back office. As critical technologies such as machine vision and conversational systems get better with the use of AI, our Machine First™ approach is helping clients use them innovatively in the back office, embedding them into reimagined processes to drive greater velocity, agility, throughput and resilience – which, among other things, also enhances customer experience.

Newer developments like generative AI, large language models, and quantum computing triggered more experimentation and innovation by our clients. Our investments in research and innovation across different industries, and our Pace innovation architecture have positioned us well to partner with them in these initiatives.

Applied at scale, across a broad set of business or IT operations, this can result in an entirely new operating model that significantly boosts our clients' competitiveness. As macroeconomic uncertainty increased in the second half of the year, we saw clients adapting by reprioritizing their spends and showing greater interest in such operating model transformations.

TCS Cognix™, our AI-driven human machine collaboration suite, has been a game changer, enabling faster transformations that deliver concrete business benefits within months. Its 600 pre-built configurable and reusable digital solutions enable plug and play transformation of a range of business and technology functions, horizontal and vertical. Nearly 300 of our clients have used it to transform their business and IT operations.

In traditional outsourcing deals, we saw more multi-services integrated deals. By consolidating multiple elements of the operation stack – processes, applications, and the underlying technology and infrastructure – with a single strategic partner, clients not only achieve greater accountability, but also reduce complexity and derisk their larger business transformations. The same rationale is driving more vendor consolidation initiatives that favor a few strategic partners with end-to-end service offerings, the right innovation capabilities and scale.

All these trends play to our strengths. Our scale, structure, and ability to bring together different capabilities into a seamless service delivery team, helped us win several large deals throughout the year.

Investing in People

The supplyside challenges of the last two years peaked in the first half of FY 2023, with employee churn reaching unprecedented levels. We broke out of the vicious cycle of hiring and counter-hiring within the industry by investing in onboarding an unprecedent number of fresh engineers – over **110,000** in FY 2022 and over **44,000** in FY 2023 – and training them on the technologies most in demand.

In FY 2023, we focused on utilizing the spare capacity built up in the prior year, and recalibrated our hiring especially as attrition started falling in the second half of the year. Our LTM attrition in IT services for the year was **20.1%**. Net addition in FY 2023 was **22,600**, and the closing headcount was **614,795**. Our workforce continued to be very diverse, with over 150 nationalities represented and with women making up 35.7% of the employee base.

Our investments in organic talent development continue to deliver exceptional outcomes. In FY 2023, TCSers logged **48.3 million** learning hours, and acquired nearly **6 million** competencies. Popular technologies witnessed unprecedented levels of interest from our employees. During the year, **53,000** TCSers acquired certification on hyperscaler cloud skills, bringing the total number to over **110,000**, making TCS one of the Top 2 partners to the largest cloud providers.

Caring for Communities

We continued to work with communities across the world, pursuing our long-standing commitment to programs in the areas of skills development, bridging of digital divides and STEM education. In FY 2023, we estimate that our community initiatives touched the lives of over **4.5 million** beneficiaries – women, youth and members of marginalized communities.

Our large programs in India around literacy, digital entrepreneurship and youth skilling continued to gain scale. Likewise, our STEM initiatives outside India. goIT is shaping the next generation of digital innovators in 42 countries, while Ignite my Future in School program has doubled its original goal, serving over **2 million** students and educators in five geographies worldwide since inception in 2017.

Our employee volunteer program called HOPE (Hours of Purpose by Employees) resulted in over **2.8 million** hours of volunteering effort towards promoting issues most relevant in their local communities, such as mental health, climate action, circularity, education, skilling, mentoring, and conservation.

On the environmental front, we continue to make good progress in our net zero journey. We have brought down our absolute carbon footprint across Scope 1 and Scope 2 emissions by **71%** over base year 2016, meeting our target two years ahead of time. This was despite increased electricity consumption in FY 2023 from employees' return to office. In addition to enterprise-wide initiatives for energy efficiency, we have also significantly increased our use of renewable energy. Renewable energy sources today make up **55%** of the total (7.25% in 2016).

So long, farewell

This year marks a key milestone in my journey with TCS, and an important transition point for the company, as I step down from my role as CEO and MD on 31st May 2023. It has been an absolute privilege and an unparalleled learning experience to lead our company in the last six years, a period of tremendous growth and transformation for us.

On a more personal note, I am grateful to Chandra, our Chairman, for his mentorship and backing over the years, to our Board members for their guidance, and to all our customers for the confidence they reposed in us. I take this opportunity to thank all my colleagues whose support and trust made my journey as CEO successful, satisfying and unforgettable. I also thank all my fellow TCSers whose energy, dedication and aspirations continue to power the organization's success.

I have had the pleasure of interacting with some of you in person over the last decade. Your feedback and insights helped me learn and shaped my worldview. Thank you for all your support and encouragement.

With enterprises relying on technology ever more to drive their competitive differentiation, technology intensity is rising and on a secular basis, the share of IT services within overall tech spending is also going up. I am confident that TCS' best years are ahead, and I look forward to watching the company's continued success from outside.

Best Regards,
Rajesh Gopinathan
Chief Executive Officer and Managing Director
(For FY 2022-23)

Letter from the **CEO**

Dear Shareholder,

I am truly humbled by this opportunity to lead this remarkable organization that I have been part of for 34 years. The culture, values and ethos of TCS and the Tata group have been an inspiration always. Your company has a very strong leadership team and a workforce that is highly motivated. It is my privilege to lead this talented team.

As part of the transition, I interacted with a number of our customers, leadership teams and employees. This has further enriched my understanding of the depth of our customer relationships, customers 'priorities and the opportunities ahead of us. I see a huge potential to create positive impact for our clients, our employees and for the broader community of stakeholders that we serve.

As part of their continuing digital transformation journey, we see sustained focus on cloud adoption, data architecture, customer experience and business model transformation. Through these initiatives, our customers intend to avoid technology obsolescence, become an intelligent enterprise, introduce new products and services, orchestrate ecosystems and provide immersive, hyper-personalized experiences. In addition, all our customers have also committed to ambitious net-zero carbon emission targets.

On top of these current focus areas, technologies like 5G, IoT, generative AI, virtual reality / metaverse, digital twin and others are also gaining attention and are likely to attract investments in the short to medium term.

As technology adoption will remain a key driver of business growth and transformation for our clients, we have been relentlessly focussed on our clients' needs and have been investing in building newer capabilities to help them accelerate technology adoption. Your company continues to focus on enhancing the talent base of its associates, building partnerships with key technology providers, expanding the innovation ecosystem and building its own products and platforms.

These business and technology trends drove a strong deal flow throughout FY 2023, peaking in the fourth quarter. We closed the year with an order book of $34.1 Bn. This along with the strong pipeline replenishment gives us a good visibility for the medium term.

I would like to take this opportunity to thank you for your continued support in this exciting journey ahead.

Best Regards,
K Krithivasan
Chief Executive Officer and Managing Director

The Year **Gone by**

Q4

After a stellar 22-year career at TCS and a successful stint as Managing Director and CEO from 2017 to 2023, **Rajesh Gopinathan** decided to step down from his role, and resign from TCS effective September 15, 2023, to pursue other interests. The Board nominated **K Krithivasan** to step into the role with effect from June 1, 2023.

Ranked the **number one IT service provide**r for **customer satisfaction in Europe** in an independent survey of over 1,800 CXOs by **Whitelane Research**. This is the tenth consecutive year that TCS has received the top ranking in this survey. Of the top 23 IT service providers ranked on customer satisfaction, TCS topped the list, scoring 83%, versus the group's average of 75%.

Announced an expansion of its long-standing partnership with **Phoenix Group**, UK's largest long-term savings and retirements provider, to digitally transform the latter's ReAssure business using the **TCS BaNCS™ based digital platform**, and to administer the insurer's 3 million policies. Consolidating on TCS' platform will help Phoenix Group drive synergies and enhance customer experience.

Named to the **Forbes** list of **America's Best Large Employers**, based on a large, independent survey of US employees. TCS was also recognized as a **Global Top Employer** for the eighth year in a row, and as Top Employer in **North America**, **Europe**, **Asia Pacific**, and **Latin America**.

Rated **Baa1** by **Moody's** credit rating agency, reflecting moderate credit risk for entities in the investment grade category. The company's good corporate governance practices, extremely strong balance sheet, large liquidity and net cash position were cited as key credit strengths supporting this rating.

TCS-sponsored marathons, such as the **TCS New York City Marathon**, **TCS Amsterdam Marathon**, **TCS Toronto Waterfront Marathon** and **TCS Lidingöloppet** returned to the streets, much to the delight of runners and spectators alike. The company also took on the **title sponsorship** of the **TCS London Marathon**.

Named to **FORTUNE® magazine's list of the World's Most Admired Companies**, regarded as a barometer of corporate reputation. Evaluation criteria include innovation, social responsibility, quality of management, global competitiveness, talent management, and quality of products/services.

FORTUNE
WORLD'S MOST ADMIRED COMPANIES™ 2023

Announced a **special dividend of $0.81 per share**, along with three interim dividends of **$0.10** each. This, along with the final dividend of **$0.29**, amounted to a total dividend of **$1.40** per share. The **total shareholder payout** for the year was **$5,136 million.**

Selected as a strategic partner by **Bombardier**, a global leader in aviation, to drive its organization-wide IT and digital transformation to enhance its agility. TCS will modernize the aviation leader's legacy systems across multiple verticals, deploy and integrate new systems around the S/4 HANA ERP platform and transform the operating model using AI and ML.

TCS New York City Marathon

TCS Amsterdam Marathon

TCS Toronto Waterfront Marathon

TCS Lidingöloppet

Q3

Tata Group Chairperson and TCS Chairman, **N Chandrasekaran**, was bestowed with the **Eisenhower Global Leadership Award** for his contribution to commerce, by the non-profit, Business Council for International Understanding. Hans Vestberg, the Chairman and CEO of Verizon, presented N Chandrasekaran with the award and described him as **"one of the most purpose-driven and influential leaders of our time".**

Selected by **Sainsbury's**, a leading supermarket retailer in UK, as its transformation partner to modernize its infrastructure landscape using **TCS Enterprise Cloud™**. Additionally, TCS will provide end-to-end managed services for application support, information security, modern workplace services, and network connectivity. The new flexible and scalable digital core will help Sainsbury's provide better value to customers through innovation and lower cost to serve; drive growth with data-led, machine-first core operations; and meet its net zero goals.

Selected by AGL, Australia's largest energy provider, as the partner for the Retail Next Program, which lays the foundation for their strategic business transformation into a multi-service retailer. The program aims to create a new unified platform for CRM, product catalogue and process automation. TCS brings together cross-industry expertise like service bundling and retail customer analytics, in addition to deep knowledge of utilities which will help AGL enhance its speed to market, and transform consumer and agent experience.

Launched the **TCS Quantum Computing Lab** on AWS to help enterprises explore, develop, and test business solutions and accelerate the adoption of quantum computing, considered one of the most promising technologies of the decade. TCS will leverage the virtual research and development environment to design industry-leading solutions, build domain-centric performance benchmarks, and work with clients to co-create new use cases of quantum computing to tackle business challenges that defy the capabilities of conventional technologies.

Chosen by **Rail Delivery Group**, UK's leading rail industry membership body, for the creation of a Rail Data Marketplace. TCS will leverage the data syndication, monetization and marketplace features of its **DeXAM** platform on a leading hyperscaler platform to combine fragmented sources of rail data forming one digital service. This will optimize the sharing of data and real-time information to passengers and operational bodies, improve transparency and enable a UK-wide railway innovation ecosystem.

Enhanced its award-winning **Quartz™** solution to enable central and commercial banks to support the entire lifecycle of **Central Bank Digital Currency (CBDC)** issuance, book-keeping and transactions. With the enhanced solution, central banks will be able to manage the issuance and distribution of CBDCs while commercial banks can transact with other banks and payment services providers using CBDCs as well as offer their customers the ability to hold CBDC balances.

Partnered with **BT Group**, UK's leading provider of fixed and mobile telecommunications, for its Digital Unit to boost its modernization plans. TCS will manage and ramp down over 70% of Digital's legacy technology estate and boost its capacity to accelerate the build of its new strategic technology architecture, supporting the Group's growth.

Won the **2022 Microsoft Supplier of the Year** award in the large supplier category. TCS was recognized for consistently delivering new capabilities with automation solutions that help improve accuracy for Microsoft, while also increasing its speed to market. TCS was cited for its expertise across industries that enables Microsoft to better serve customers, showcasing what it means to focus on strategy, impact, agility, and modernization.

Delegates from The National Robotarium and TCS announce a major research partnership

Announced a major applied engineering and research partnership with The **National Robotarium**, the UK's largest and most advanced AI and robotics research center. The partnership will work on innovation, to support early-stage AI and robotics product development, entrepreneurship, job creation and building digital skills in the workforce.

Q2

Partnered with **C&S Wholesale Grocers, Inc.**, to build a new cloud-based operations platform to reduce the company's carbon footprint and enhance the customer experience. Using AI and machine learning, C&S's new operations platform will monitor traffic patterns and identify optimal distribution routes, thereby reducing food waste and achieving greater fuel efficiency.

Launched the **TCS Mobility Cloud Suite**, a rich toolbox of cloud-enabled software to help automotive manufacturers and suppliers innovate, adapt, and thrive. It includes ready-to-deploy automotive-specific digital frameworks, custom solutions, accelerators, and use cases that enable automakers and their solution providers to embrace digital technologies and new business models across the entire mobility value chain.

Boots, a leading UK health and beauty retailer, announced the launch of the new **INNOVATE** workspace, **powered by TCS Pace™**, at its headquarters in Nottingham, UK. INNOVATE aims to nurture a start-up culture within the organization and is designed to be an agile incubator, combining creative space with top talent and emerging technology, to drive innovation.

Launched its **ESG Integration Solution** on AWS to help financial institutions more easily and accurately measure the impact of environmental, social, and governance (ESG) factors in their investment analysis. With a cloud-native ESG data ingestion platform and proprietary ESG scoring model, the solution is integrated with AWS Data Exchange, and enables greater transparency and flexibility in measuring investment portfolios against ESG criteria and benchmarks.

Former CFO, **V Ramakrishnan ("Ramki")** passed away in July 2022. He served as the CFO of TCS from February 2017 until his retirement in April 2021. He was ranked Best CFO in the All-Asia Executive Team survey by Institutional Investors magazine. He was an accomplished professional known for his tremendous dedication and commitment, with an association of over four decades with TCS and the Tata Group.

V RAMAKRISHNAN

(1957- 2022)

FORMER CFO, TCS

Q1

Was the only Indian brand in the **Top 50** in the **2022 Kantar BrandZ** Top 100 Most Valuable Global Brands. TCS was also named among the **Top 10 fastest growing brands** with its brand value growing 61% YoY (as measured by Kantar). Later in the year, the company was ranked the **second most valuable IT services brand** (brand value up 2% to US$17.2 billion) by **Brand Finance**.

Ranked **#2** in CRN's **2022 Solution Provider 500** list that ranks the top system integrators, IT services providers and IT consultants by revenue in **North America**. In the UK, TCS retained its **#1 position** by revenue across the entire technology ecosystem including hyperscalers, software vendors and IT/ITe service providers in the **2022 TechMarketView UK Software and IT Services Supplier Rankings** report.

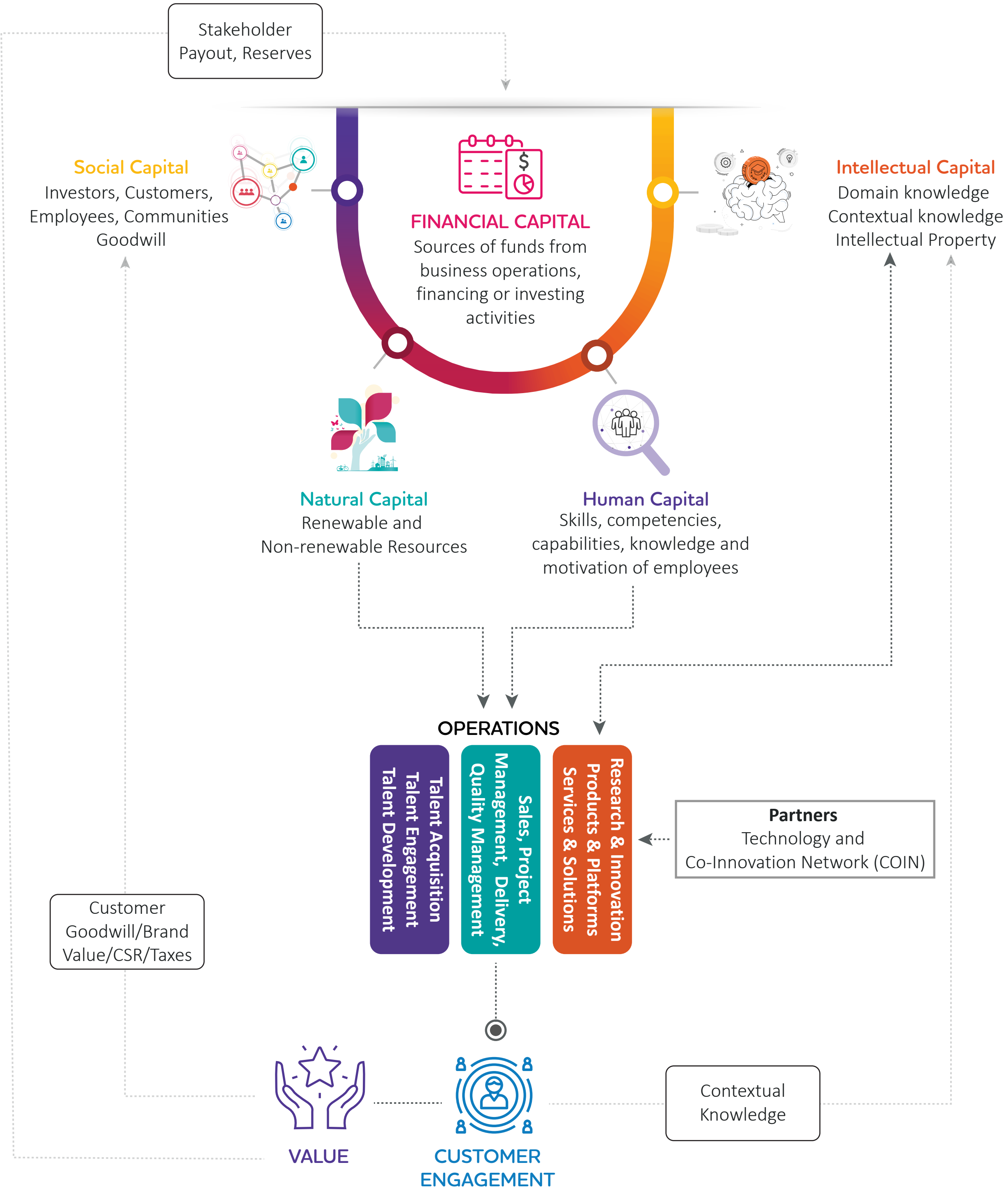
Launched **TCS Pace Port™ Pittsburgh**, its fourth global research and co-innovation hub after Tokyo, New York and Amsterdam. The latest facility, in the Carnegie Mellon University campus, specializes in innovation in the manufacturing and utilities sectors. Later in the year, TCS launched its fifth Pace Port in **Toronto**.

Selected by **The Kansas Department of Labor** to deploy a modern, secure, cloud-based platform for the state's unemployment insurance program, replacing its 70s-era mainframe system. Once deployed, the new system is expected to drastically improve the delivery of services to Kansas residents. The TCS-built platform is currently used by the state labor departments in Connecticut, Maine, Mississippi, Missouri, and Wyoming, and is under implementation at a couple of other states.

Named by **FinanceAsia** in its list of Asia's Best Companies 2022, as the **Best Managed Company in India**, as well as **Most Effective in Creating and Implementing D&I Policies** over the past 12 months. The list is based on their annual poll of investors and analysts in the region.

TCS Integrated Business Model

Value Creation using the Five Capitals

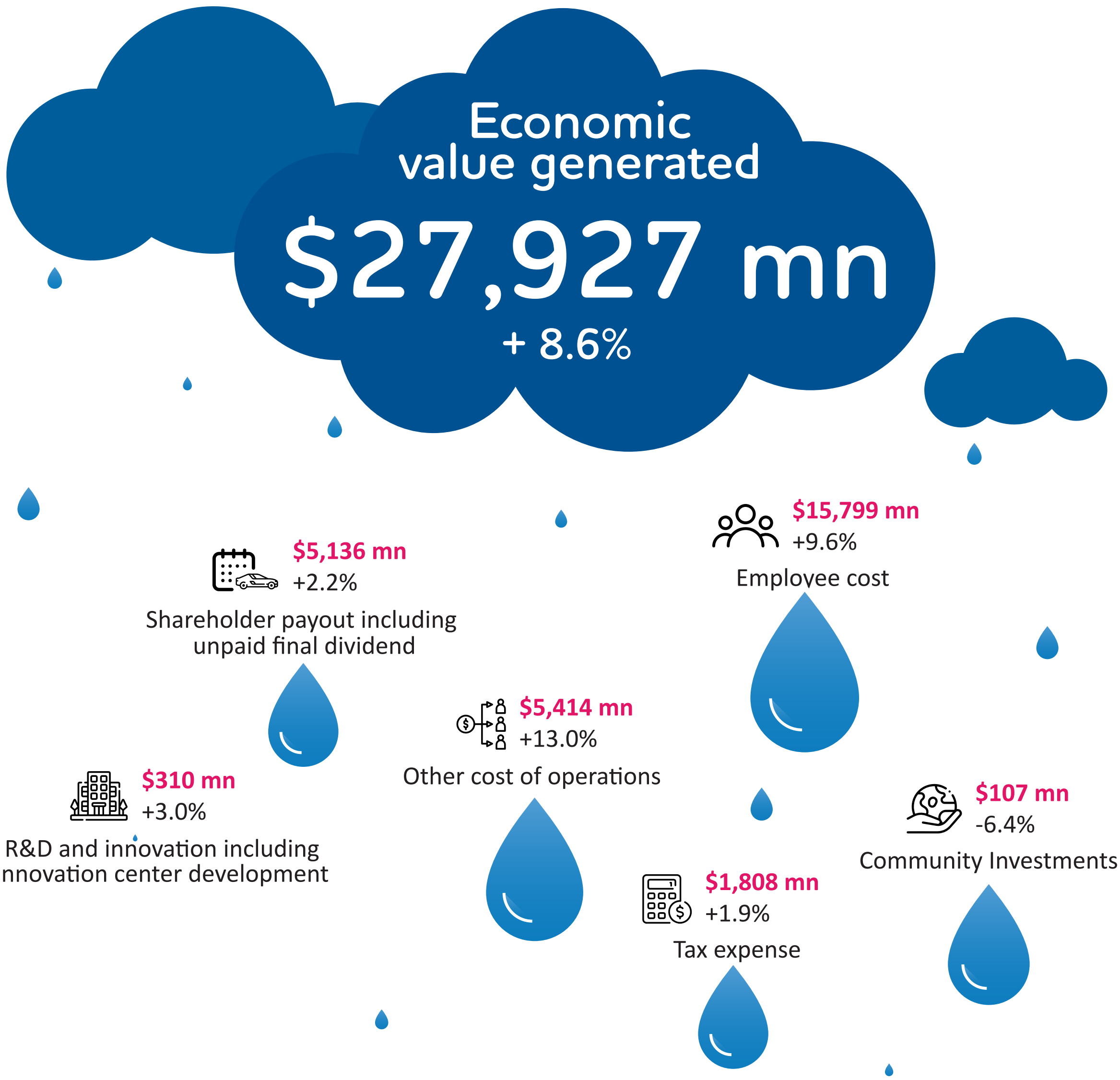


Financial **Capital**

TCS' longevity is testimony to the strength of our business model and our ability to reinvent ourselves in an ever-evolving technology landscape to stay relevant to our customers while remaining focused on creating value for all our stakeholders.

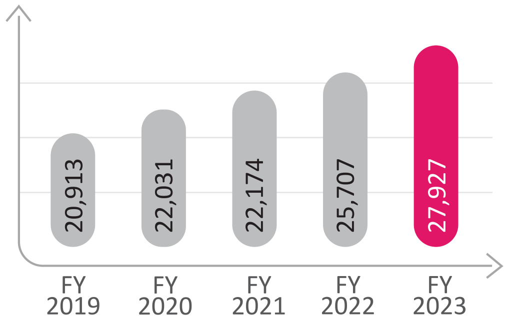
Outcomes

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



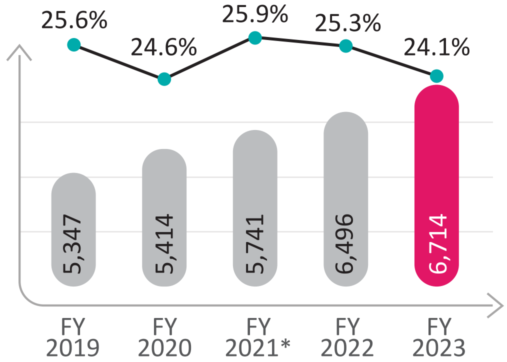
Revenue Trend

CAGR 7.9%



($ million)

Operating Profit Trend

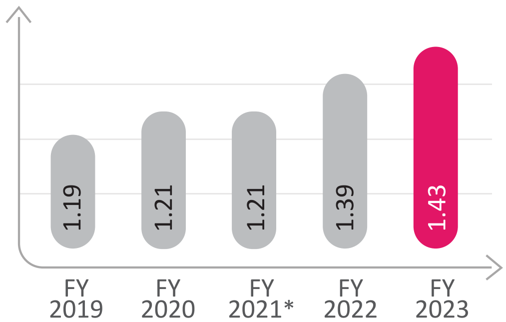


($ million)

Operating Profit
Operating Margin

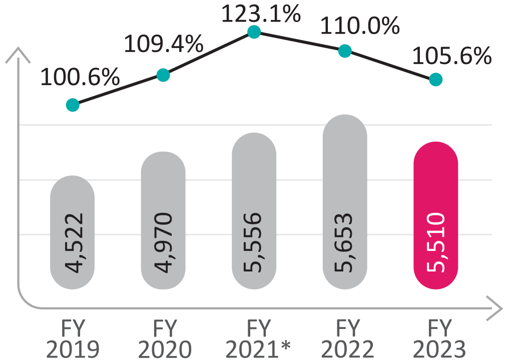
Earnings per share

CAGR 6.6%



(Amount in $)

OCF and Cash Conversion

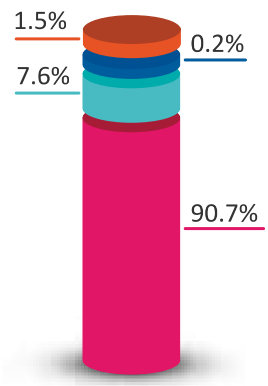


($ million)

Operating Cash Flow (OCF)
OCF to Net Profit Ratio

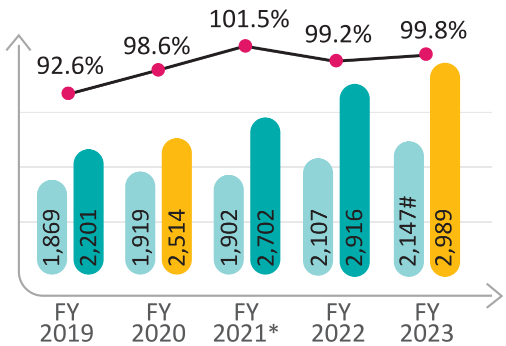
Cash Usage#

- Invested Funds
- Acquisitions etc
- Capex
- Shareholder Distribution



Cash usage for the period FY 2019 to FY 2023

Shareholder Payouts



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

includes proposed final dividend

($ million)

*Excluding provision towards legal claim

Human **Capital**

Best in Class Talent Management

614,795 Employees

Workforce
Globally distributed, highly localized

22,600 Employees

Net Addition
Recalibrated to falling attrition; highest ever gross addition of lateral hires

20.1% LTM attrition in IT services

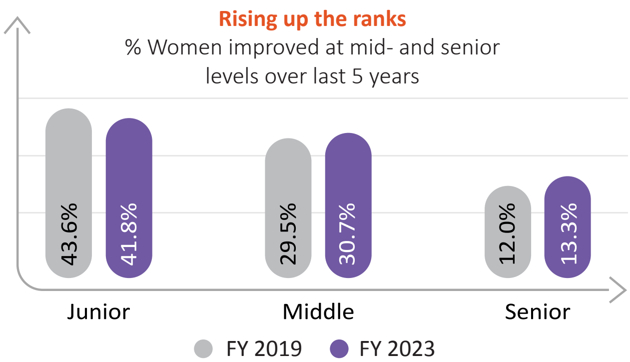
Talent Retention
Best in class, despite unprecedented employee churn across the industry; expected to revert to normal range in FY 2024.

Talent Diversity and Inclusion

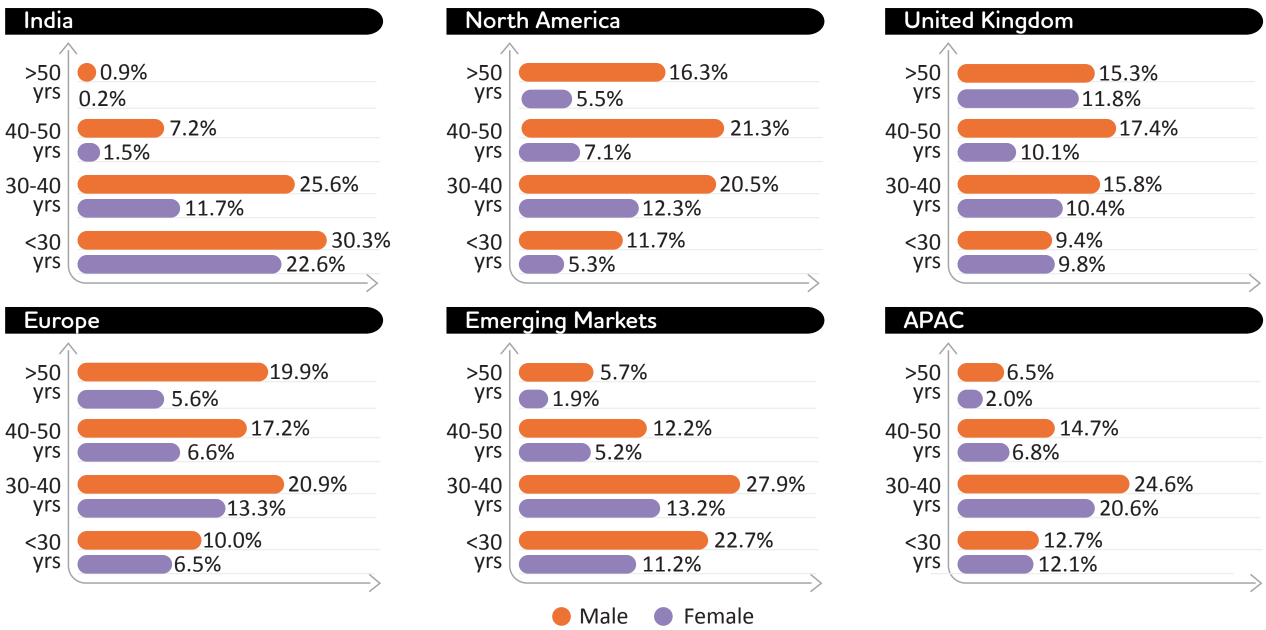
150 Nationalities

3 Generations
88% Millennials

~220,000+ Women
35.7% of workforce
60%+ Increase in senior women executives over last 5 years
794 Women patent holders



TCS Employees by Region, Age and Gender



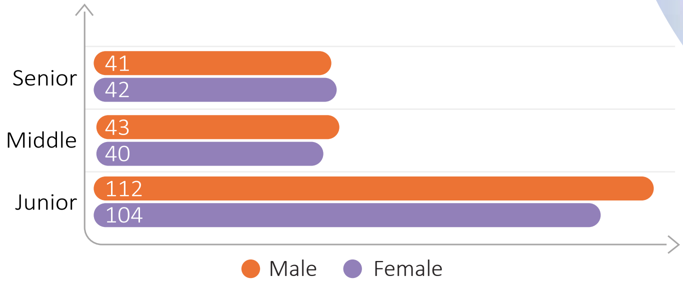
Talent Development

TCS takes a purpose-centric approach to learning and development that leverages horizontal collaboration and the abundance of internal expertise. Catering to millennial tastes, training is just-in-time, just-for-me and just-enough.

6 million
Competencies acquired

194,000
Employees deep skilled

Average Learning Hours per employee **82.4 hrs**



TCS Elevate
407K employees pursued learning linked to career growth

Contextual Masters
64,000 CMs, +28% YoY
26% Women

22,000
Employees identified as high talent, with higher pay

Cloud Certification
53K certified on hyperscaler cloud technologies in FY 2023;
110K in all

500,000 employees trained in digital technologies;
7.5 competencies per employee on average

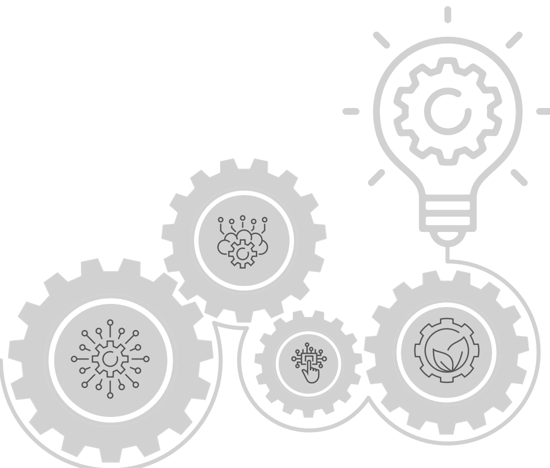
Mid-level Training
90% participation;
60% certified on market relevant technologies

Intellectual Capital

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

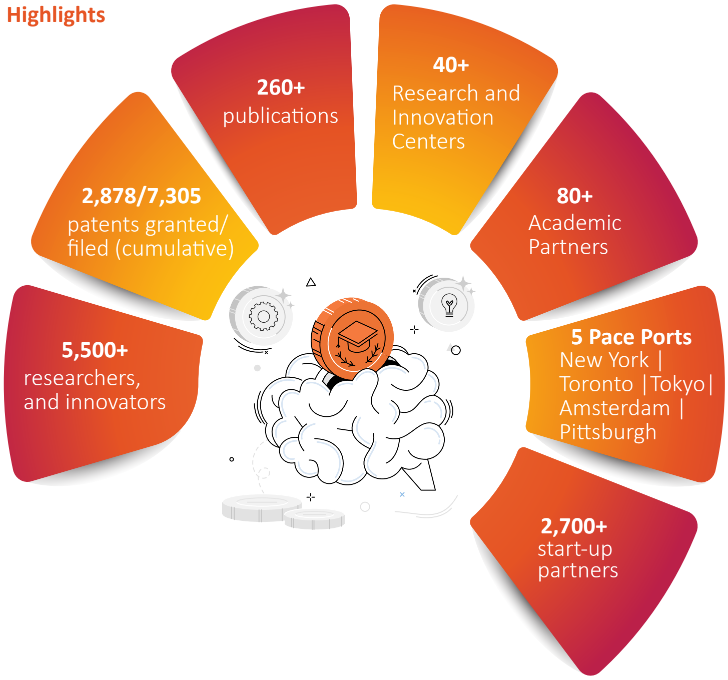
- **TCS Research** produces foundational inventions that impact industry and society.
- **TCS Pace™** brings the best of TCS' intellectual content, innovation assets, capabilities, and practices to clients.

Focus Areas of TCS' R&I:



Purposeful AI | **Computing Futures** | **Digital Sciences** | **Sustainability**

Highlights



Physical Sciences

- Meta Materials for Communications
- New Materials Formulation
- Li-ion Batteries
- Catalysis
- Effluent Treatment

Behavioural and Business Sciences

- Emotional Wellbeing for Enterprise
- Consumer Behavior in Retail
- Gamified Engagement and Learning
- Understanding Personae in Connected Homes

Life Sciences

- Generative Design in:
  - Drug (including vaccines and proteins) design and synthesis
  - Molecules, Formulations and Manufacturing Processes

Computing / Data Sciences

- High Performance Computing and AI
- Multicloud deployments
- Cyber Cloud- Data Residency, Compliance, Security- Resilience on Cloud
- Low Energy Hardware, Low Energy High Performance Computing
- Edge Hardware for Compute and Communication
- Quantum Communications
- Robo Logistics
- Learning Aided Adaptive Software
- Digital Transformation for Applications
- AI in Software Development Lifecycle and Data Analytics
- AI for Cybersecurity
- Privacy preserving Service Operations, Privacy preserving Biometrics, Trustworthy AI
- Remote Sensing Spacetech for Sustainability and Infrastructure
- Energy Internet and Carbon Market
- Sustainability in Manufacturing, Carbon Capture, NetZero Transition and Renewables

Products and Platforms

TCS BaNCS™

- 10 new wins and 15 go-lives in FY 2023
- Highlights:
  - Services more than 35% of the world's banking population
- 8 out of top 10 custodian and asset management firms run on TCS BaNCS
  - More than 100 million transactions run on TCS BaNCS Cloud daily
  - Records 10 million new trades per day (peak) across 100+ countries
  - Offers ready market connectivity to 45+ local markets for settlements
  - Services over 30 million life, annuity and pension policies and 135 million property and casualty policies across the globe

ignio

- World leading cognitive automation software for IT and business operations
- 18,832 ignio trained professionals, 8,664 ignio certified professionals till date
- 186+ deals closed, 27 new customers went live in FY 2023

TCS iON

- 450+ new wins in FY 2023
- 62 million candidates assessed
- 70+ new learning programs launched
- 16 patents filed in FY 2023; 23 granted
- Over 1,900 corporates now use TCS NQT for fresher hiring

TCS ADD™

- Comprehensive suite for digital transformation of drug development and clinical trials
- 700+ clinical trials supported by TCS ADD Platforms till date.
- 2 new wins and 4 go-lives in FY 2023

TCS HOBS™

- Plug and play SaaS based business platform to digitally transform business, network and revenue management domains of subscription-based businesses
- 5 new wins and 6 go-lives in FY 2023

TCS Optumera™

- AI and ML powered merchandise optimization platform that enables retailers to optimize their space, mix and price in an integrated manner
- 2 new wins and 4 go-lives in FY 2023

TCS TwinX™

- AI powered enterprise digital twin covering customer, product and process to help business leaders simulate and optimize enterprise decisions, predict and proactively manage outcomes
- Helps businesses achieve:
  - Upto 10-15% increase in revenue
  - Reduced revenue leakage
  - Upto 2X faster time to market
  - Upto 15% reduction in cycle time
  - Enhanced customer experience
  - Minimized waste
- 10 new wins and 7 go-lives in FY 2023

TCS OmniStore™

- AI powered unified commerce platform to orchestrate unified omnichannel customer journeys and help businesses roll out new services and apps quickly without worrying about channel constraints. It can serve diverse lines of business – general merchandise, discount, specialty, fashion, restaurant, post office, telecom, and travel and hospitality industries
- 8 go-lives in FY 2023

TCS MasterCraft™

- Digital platform to optimally automate and manage IT processes. FY 2023 highlights:
- Processed 325 billion records for data privacy and 15 billion records for data quality
  - Automated generation of 60+ million lines of Java and JavaScript code, with over 50% productivity gains
  - Analyzed 600 million lines of legacy code, delivering a productivity improvement of 20-30%
- 111 new wins in FY 2023

Jile

- SaaS-based, scalable Agile DevOps platform to accelerate software development and delivery and integrate DevOps tools
- 23 new wins and 6 go-lives in FY 2023

QUARTZ

- Intelligent smart contract development toolkits, Integration solutions and 'Designed for DLT' business solutions that provides foundational technology, tools and business components for creating distributed ledger solutions across varied industries
- 5 new wins and 6 go-lives in FY 2023

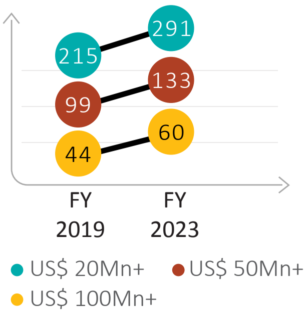
Social **Capital**

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

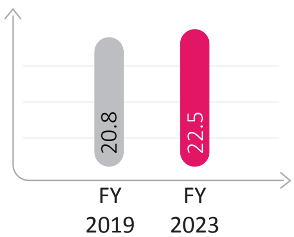
Customers

Customer-centricity is at the core of TCS' business strategy. It seeks to deliver superior outcomes, and build strong, enduring relationships. By proactively investing in building newer capabilities, and launching new services and solutions with which to add value in newer parts of the client's business, TCS continually expands and deepens its client relationships.

Large Client Metrics



Rev per US$ 1 Million+ Client ($ Mn)



Growth 8.2%

Outcomes

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

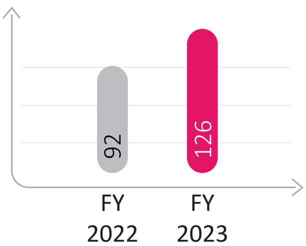
Investors

TCS is seen as a benchmark in its outreach to investors, its transparency and disclosures, and communication of its longer-term strategy. For the last many years, its Investor Relations program has been winning awards based on surveys of investors and analysts across Asia.

Analyst Relations

TCS has a robust engagement program with research firms and industry analysts. Briefing industry analysts and participating in competitive assessments ensures visibility with prospective clients who use such reports to evaluate vendors.

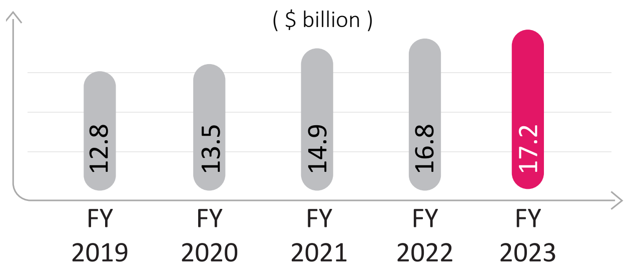
Assessment in which TCS was ranked a Leader by Research Firms



Branding

The strength of its customer relationships, reputation as a good employer, and the goodwill it enjoys with investors, local communities, academia and other stakeholders have helped build up the TCS brand. The brand has been strengthened by its tagline `Building on Belief', marketing campaigns and sponsored events. TCS is among the Top 2 brands in IT services by brand value according to Brand Finance.

TCS Brand Valuation



Source: Brand Finance

* includes multiple investors in group meetings

Community

Education

Ignite My Future

Global Impact
Over **293K** students

goIT
Global Impact
Over **41K** students

Literacy

Literacy as a Service

Global Impact

Over **1.1 Mn** learners

Entrepreneurship

BridgeIT

347 active entrepreneurs in FY 2023

Providing valuable digital services to rural India

Youth employment program

31K Marginalized Youth trained

57% Women

Health & Wellness

Tata Medical Center, Kolkata and Cancer Institute, Chennai

Over **117,600** new patient consultations

Business with purpose

Engaged over **433** customers, creating **186** purpose partnerships

Our **CSR programs on Education, Employment and Entrepreneurship** ensured the inclusion of marginalized talent through social transformation

2.3x	2.5x	88%	81%
Enhancement in income for women who complete YEP and get employment in comparison to a female employee in a rural areas	Higher earnings for women BridgeIT participants compared to other self-employed in rural India	Students who completed goIT demonstrated understanding of how technology can be used to improve their community	LaaS Program participants encouraged their own children especially girls to go to schools

- $107 million CSR Spend
- 4.5 million beneficiaries
- 150K+ volunteers
  2.8 million hours
- 7 major partnerships for program implementation at scale

Natural **Capital**

TCS combines its strong sense of purpose with digital expertise and innovation to drive not only its own sustainability journey, but also that of its customers. The company's environmental stewardship rests on four pillars: carbon footprint mitigation, water conservation and recycling, waste reduction and recycling, and preserving biodiversity.

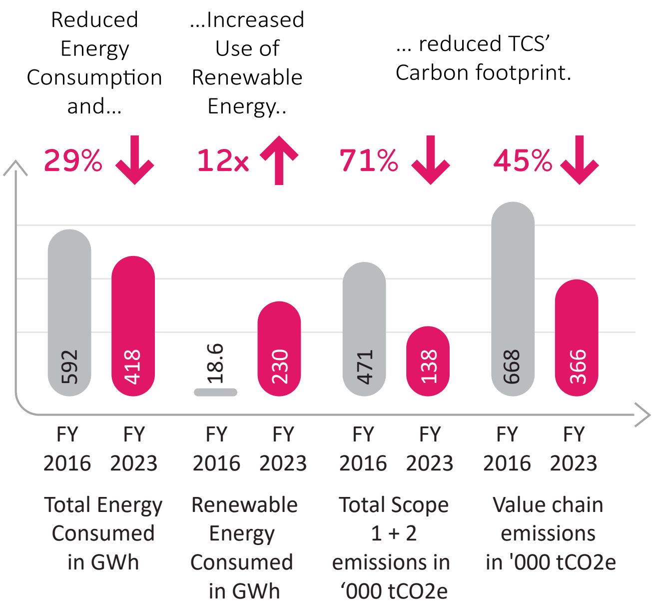
Energy Management and GHG Emissions Reduction

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

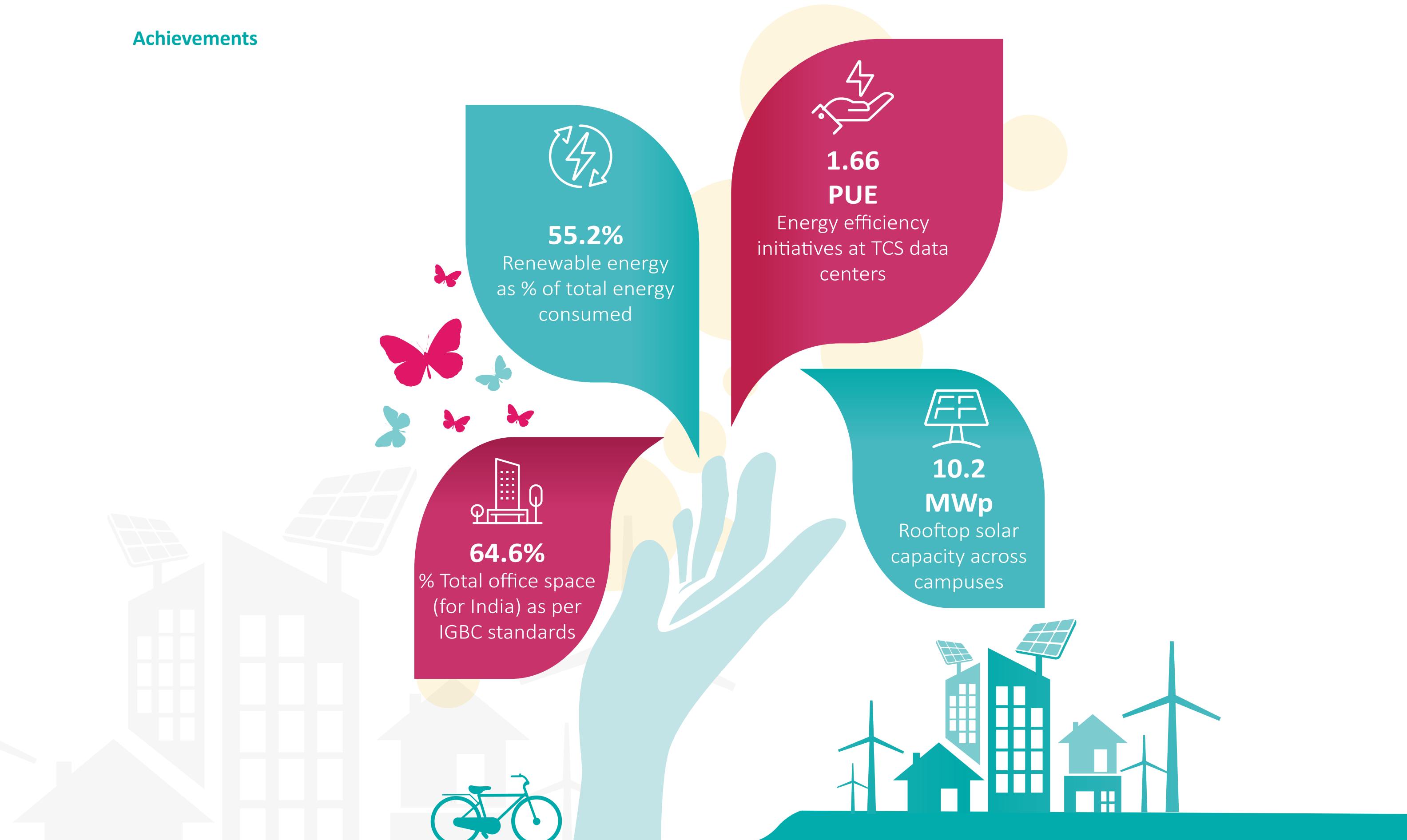
Initiatives:

- 85% of emissions across Scope 1 and Scope 2 due to purchased electricity for office blocks.
- Prioritized energy optimization and greater use of renewable energy.
- Use of Clever Energy to optimize energy consumption, green buildings, green IT.

Outcomes



Achievements



Water Conservation

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

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

Waste Reduction & Reuse

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

100%
Recycling of regulated wastes, e-waste, printer cartridges, paper, packaging and plastics

88.4%
Food wastes recycled in biodigesters and organic waste converters on campuses

Biodiversity

Conservation and enhancement initiatives within TCS campuses.

TCS believes in preserving and enriching the biodiversity within its campuses. Various initiatives have helped support

- 593 species of flora
- 187 species of fauna
- 39,000 well grown trees.

2.29 Bn
Liters of fresh water consumed in FY 2023

2.5%
Water from RWH; 90 % from third party sources; 7.6% from ground water

88%
Water recycled (TCS owned campuses)

36%
Increased water consumption YoY at owned campuses due to 5 times increase in headcount

Helping Versuni become a **Digital-First, Innovation-Led Standalone Entity**

Growth and transformation are often constrained by the challenge of integrating with the legacy operations stack, and the complexity that entails. So when health-tech giant Royal Philips sold Philips Domestic Appliances in 2021 to Hillhouse, a private equity firm, the standalone company, rebranded as Versuni, saw the separation as a once-in-a-lifetime opportunity to wipe the slate clean and transform into a digitally lean, agile, and innovation-led organization.

Versuni partnered with TCS in its transformation journey from strategy through execution, with a vision to embed insights and agility into core processes, enabling shorter time to value and quicker responses to market changes through a new cloud-first application landscape. The program entailed decoupling the company from the parent's systems, while simultaneously transforming it across all business domains, within an ambitious 2-year timeframe.

The business transformation, enabled by SAP as the digital core, establishes best practices-based processes from the consumer products industry and simplified ways of working to drive speed, agility and insights-led decision-making.

TCS enabled Versuni's strategies for driving revenue growth opportunities and innovative product launches. The new processes support Versuni's journey to develop products made with more sustainable materials, that are easier to repair, refurbish, recycle, and help to reduce waste.

Enhancements were made to deliver superior business outcomes across every function. Integrating supply chain planning with factory scheduling will enable higher warehouse productivity and more timely shipments. AI-powered insights in finance will help improve cash flow, free up cash and drive efficiencies in back-office functions. The new people processes will provide a better employee experience and enable a more responsive HR function.

Partnering with TCS helped Versuni deploy a new digital foundation and operate as an independent entity. The new fit-for-purpose stack enables Versuni to more effectively respond to the fast-changing demands of the consumer products market, and pursue its vision of turning houses into homes, and building lifetime engagement with consumers.

I am really happy to have partnered with TCS in this journey. TCS has been an invaluable partner in our process and digital transformation journey with SAP as the main enabling technology suite. The hard work and dedication demonstrated by each member of the TCS team has not gone unnoticed. The leadership advisory services and commitment combined with the team's domain and technology expertise is helping us get to our goals as an insights-led digital company.

Corine Adams
CIO, Versuni

TCS' exceptional leadership, expertise, and flexibility combined with their passion and thorough understanding of our mission to become insights-led, makes them an outstanding partner. The TCS leadership team has been with us every step of the way. This transformation will help us continue to innovate and to stay true to our mission to turn houses into homes.

Henk S. de Jong
CEO, Versuni

Enabling Eversource Energy's **Transition to a Green Energy Future**

Energy utilities are leading the world's energy transition, investing in renewable energy sources as part of their journey to carbon neutrality. Leaders in the sector are using technology innovatively to draw environmentally conscious consumers looking for greener choices, and grow their new clean energy businesses.

Eversource Energy is a Fortune 500 energy company that operates New England's largest energy delivery system, with 4.4 million customers across Connecticut (CT), Massachusetts (MA) and New Hampshire. It is focused on making its operations carbon neutral by 2030, and bringing more clean and affordable energy to New England.

Eversource partnered with TCS to build a solution that would help them on-board distributed solar power capacity within its grid by purchasing power from residential, industrial and commercial customers who install solar panels and storage on their properties, and enabling them to avail of incentives offered by their respective states, as part of state-level Net Zero programs.

The TCS-built solution includes onboarding of new solar customers, a customer application that helps keep track of the units generated, and a pricing engine that uses a declining block pricing mechanism to incentivize early enrolment as a producer. It also includes a billing system that processes recovery charges, solar credits and incentive payments, and enables flexible payment options as well as hardship relief options to improve affordability and increase adoption of energy efficiency programs.

To facilitate quick roll outs across states, TCS architected a reusable framework that would simplify adoption of each state's incentive program into Eversource's core platform, enabling the utility to pursue a very aggressive implementation schedule for each state.

Using this solution, Eversource has been able to leverage state incentives to make green energy affordable and rapidly benefit nearly 430,000 customers in CT and MA so far, while driving growth of its clean energy business. At the same time, it is projected to produce over 9,700 MWh of solar power, accelerating not only its own journey to carbon neutrality but also that of the states it services.

> Making green energy affordable is central to our business strategy. Its technology enablement was a fairly complex program with multiple sub-programs running concurrently. TCS did an outstanding job in collaborating well with multiple stakeholders and managing risks very well. The TCS team's contextual knowledge of the Eversource business and technology landscape resulted in a high quality solution that helped meet the regulatory mandate as well as Eversource's clean energy and energy affordability goals.
>
> **David Coco**
> Director, IT Business Solutions
> Eversource Energy

Innovate, Adapt, Thrive:

A Fireside Chat

K Ananth Krishnan
CTO

Harrick Vin
CTO Designate

How does TCS help clients innovate, adapt and thrive?

KAK: With all the geo-political tension and economic uncertainty in today's world, companies need to respond quickly to events on the ground and cope with surprises, while staying focused on fulfilling customer needs and wants, with innovative products and services.

TCS helps them on both these fronts. We help build a future-ready, digital core that enables quick, insights-driven decision making. We transform IT and business operating models using technology, making them more efficient, agile and responsive, freeing up resources to support innovation. Partnering with us enables our clients to try out a larger number of innovative ideas quickly, and launch new products, services and business models to drive growth and transformation.

Innovate, Adapt, Thrive refers to how our scale, full services capability and innovation offerings enable our clients to respond to short-term challenges while accelerating their pursuit of longer-term aspirations.

Innovation is about having a lightbulb moment. How do you scale that?

HV: People often relate innovations to serendipitous discoveries. We help clients structure and scale the innovation process using the TCS Agile Innovation Cloud (AIC). This framework brings together the best of TCS' talent, research and innovation inputs, global capabilities and ecosystem partnerships to scale up and speed up 'Ideas to Outcomes'.

For an insurance major, we worked with the client's teams and collated actionable innovation ideas through a series of brainstorming workshops using the Clay Map. Leveraging our AIC, we rapidly built POCs every quarter, some of which got turned into MVPs and rolled out across the enterprise. In just eight months, dozens of innovation ideas were identified, and 24 progressed to become MVPs.

One reason for this high yield is that our teams leverage their contextual knowledge, learned over years spent immersed in the client's IT and business landscape, to come up with ideas deeply rooted in that organization's reality and therefore more likely to succeed.

Generative AI is the talk of the season. What is the business opportunity around it?

KAK: We see interest in exploring use cases right across the enterprise. The most obvious areas are conversational systems, content creation and digital marketing, and activities which require processing of large amounts of unstructured data, text, images and higher-level abstraction.

Legal and procurement teams can use it to trawl through contracts to identify specific clauses, or prepare a summary of variations of a particular clause. HR could use it for handling employee queries. Sales and customer service want smart assistants that can explain product features and answer questions. In IT, generative AI can create basic code snippets or quality check developed code for adherence to standards.

These are just the initial ideas based on the standalone capabilities of generative AI. Over time, you will see newer use cases that are more combinatorial, driving greater spending by enterprises and expanding the opportunity significantly.

If generative AI takes over coding, won't the IT services industry become redundant?

KAK: Software that writes software has been around for a long time. In fact, this is the 50th anniversary of TCS' very first offshore development project, delivered using an in-house code generator. In the 80s, our TRDDC was famous for its tools foundry, which could generate custom code translators on demand, converting source code from any programming language to any other language.

TCS MasterCraft™ is today used by hundreds of our clients for developing, transforming and maintaining model-based applications. In fact, our award-winning product suite, TCS BaNCS™, is written and maintained using MasterCraft. Even though there is effort involved in defining the model up-front, clients see significant productivity benefits.

The new low code, no code platforms have done away even with those overheads. Their graphical drag and drop user interface empowers people with no coding knowledge to build sophisticated applications very quickly.

And yet, none of this has led to any demand compression. It has only led to more growth. We believe generative AI will be no different. Like prior breakthrough technologies, it will sharply bring down the effort per function point, driving up programmer productivity immensely. This will result in greater consumption, with volume growth more than making up for the effort deflation.

What is the evidence for this thesis?

HV: The evidence is empirical. Every new generation of technology has led to reduction in programming effort per function point. But while that has steadily fallen, aggregate spending on IT services has only risen year after year, over decades.

Take for example, the switch from assembly language to C. Its compilers came with large, extensible libraries of reusable pre-defined procedures. A developer could invoke a procedure with one line of code in C and embed its entire logic in the code base, without actually coding all of it from scratch. Three lines of C accomplished what took 30 lines in assembly language. The 10x effort deflation didn't result in mass layoffs of programmers. Instead, there was an explosion in software development because the same IT team could now build ten times as many function points.

Similarly, enterprises adopted offshore outsourcing, it led to a big cost deflation, but nobody's IT budgets deflated. Instead, those savings went into building new systems and volumes rose to fill budgets and spending on IT services has only expanded. Likewise with low-code, no-code platforms.

Why is that so? Farm mechanization caused effort deflation and rendered the agricultural workforce redundant in the West.

KAK: With most goods and services, when the price falls, any increase in volume is limited by how much of that good or service the market can consume in a defined period. When farm mechanization reduced the cost of tilling, the increased demand for men in tractors was not large enough to compensate for the effort deflation because there was only so much land available to till.

Demand for IT services behaves differently. In every enterprise, there is significant unmet demand. Every CIO has limited capacity for new system development, resulting in a requirement backlog that never gets fulfilled. Technologies like generative AI or low code-no code can help a CIO expand capacity and accomplish much more with the same budget. But even then, the backlog never goes away because there is no limit on business users' ingenuity or competitive drive. Demand just rises to fill the incremental capacity created by new technologies.

HV: The emergence of new technologies triggers more ideas, experimentation and more demand for our services. To that extent, business application of generative AI, along with other technologies, will itself drive the incremental demand that fills up the capacity it frees up through higher productivity.

Indian IT companies are seen as fast followers on new technologies. Will that change with generative AI?

KAK: We have been leaders for a while, but perceptions can be too rooted in historic stereotypes to recognize the change. Back in 2008, when the term SaaS was still new, we had built a subscription-based, single instance, multi-tenant core banking platform using TCS BaNCS for small banks in India. A similar model is powering start-up banks in Israel today. The insurance platform launched in 2009, with shared services bundled in, went on to make us the market leader in life and pensions administration in the UK.

Historically, gaining leadership in IT services on any new technology required just training sufficient numbers of people in that technology, ahead of market demand. In the last decade, we not only did that at scale on the entire class of digital technologies, but also invested in higher order capabilities so we could advise our clients on how best to harness the combinatorial power of new technologies in their specific business context.

We scaled up our Research and Innovation, exploring use cases across different industries, creating solutions and showcasing them at our innovation centers. We expanded COIN, created new innovation frameworks and set up Pace Ports, our co-innovation hubs, across the world. Today, we not only have a large number of patents, but also the largest portfolio of products and platforms in our peer set, helping win large transformational engagements that uniquely distinguish us.

We are helping clients explore and develop end-to-end scenarios in combining technologies like quantum computing, generative AI, 5G and the emerging 6G, and new concepts in cyber security. Here in India, we have stitched together a fully indigenous network stack for 4G and 5G, a unique achievement that differentiates us from our global peers.

Elsewhere, we are pursuing 5G-enabled opportunities in operational technologies such as autonomous machines and remote operations. We are looking at emerging cross-industry ecosystem business models in sustainability and energy transition, which will be the big drivers of growth in the coming years.

HV: On the cloud, the biggest technology trend in recent years, we were one of the earliest to set up dedicated business units for each of the three leading hyperscaler clouds. Our early investments in building deep expertise and a large portfolio of innovative cloud-native solutions helped us capture tremendous growth and gain share.

We are today one of the largest partners – in some cases, *the* largest partner – to each of those providers, in terms of number of employees with certifications, volumes of workloads migrated to the cloud and in number of solutions and intellectual property on their platforms.

We are the launch partner for their latest offerings, whether it is AWS' Mainframe Modernization, Finspace, and IoT Fleetwise offerings, or Azure's Sustainability, Supply Chain Platform, and Financial Services and Retail Industry Cloud, and now for Google Cloud's Generative AI solutions. If all this isn't leadership, what is?

Revolutionizing **Small Value Payments in South Africa**

BankservAfrica, Africa's leading automated clearing house, has been facilitating payments in South Africa and the region, for over five decades through its seamless interbank clearing and settlement services. It has a track record of pioneering innovations like the SASWITCH, a national network of interoperable ATMs, in the mid-80s.

When the South African Reserve Bank unveiled its Vision 2025 strategy to reform the South African national payment system framework, BankservAfrica took the lead along with its ecosystem partners, and engaged TCS to build a new platform for rapid payments that would usher in the era of modern, cost-effective, instant digital payments on the continent.

TCS designed a high availability, containerized, cloud optimized solution with TCS BaNCS for Market Infrastructure at its core, using high performance microservices for clearing and payment. Hosted on a public cloud, the solution is very resilient and can auto-scale.

On the front-end, users can make a payment, or a request for payment, through a payment service called PayShap, formally launched in March 2023. Very conveniently, users don't need to enter the recipient's bank account or branch code details to make payments. Instead, they can use a unique identifier such as the recipient's mobile number, or a bank-generated identification number, which serves as a proxy for the full banking details. This proxy and resolution is enabled through a tamper-proof blockchain-based solution powered by TCS' Quartz Smart Solution.

By democratizing access to a frictionless system for low value payments, TCS' innovative solution for BankservAfrica has the potential to reduce the use of cash for small transactions and accelerate formalization of the unorganized sector. It will drive new fee-based revenues for banks, and also offer customer insights with which they can offer credit to more consumers. This will not only improve financial inclusion, but also add to South Africa's GDP growth – a fitting outcome for two very purpose-driven organizations that came together to build this platform of national importance.

BankservAfrica views cost-effective digital payments as a pathway to improving credit access and financial inclusion in South Africa. After an extensive evaluation, we selected TCS for their deep understanding of the payments ecosystem, global experience, technological expertise, intellectual property and shared values. The outcome has been very gratifying. By changing consumer behaviors, PayShap has the potential to reshape sectors and transform the South African economy.

Roshan Moonsamy
Interim CEO and CFO
BankservAfrica

Supporting Takenaka Corporation **Realize its Vision of a Sustainable Society**

Founded by a master builder *(toryo)* more than 400 years ago, Takenaka Corporation has specialized in building construction with an integrated design-build approach that includes initial planning and aftercare services like maintenance. It has redefined urban landscapes in Japan and around the world, with famous landmarks like Tokyo Tower and Changi International Airport. At the core of its longstanding business success is its passion for innovation rooted in its *toryo* spirit, quality management, and its commitment to realizing a sustainable society.

Takenaka's Vision for 2030 aims to realize a fourth industrial revolution in the building industry by embracing digital transformation across the construction value chain. It is addressing key problems facing the industry in Japan, such as labor shortage, by using digital technologies to increase employee productivity and improve the work-life balance of employees. Its innovation initiatives include AI-based design and construction planning, next-generation work sites with construction robots and remotely operated cranes, and environmentally conscious smart buildings with intelligent controls using IoT. The foundation for this innovation is the Building 4.0™ digital platform, which is being developed and operated in partnership with TCS.

Building 4.0™ will integrate data from sales, design, estimation, engineering, construction management, facilities management services, human resources and accounting. This will enable superior decision-making across a wide range of operations through advanced analysis using machine learning and AI. In building design, for example, structural engineers can use AI-based cross-section estimations to more efficiently implement optimal structural designs. In construction, it can enable better construction planning using accurate forecasts of materials and personnel required to achieve target schedules, improve visibility of project progress, and enhance labor productivity.

TCS is supporting Takenaka in promoting innovation, building construction digital twins, simulating human behavior, utilizing knowledge of the construction field, and exploring "what-if" scenarios. The knowledge gained from these efforts will help Takenaka develop comprehensive and sustainable solutions through better designs, understand project risks, and improve KPIs for quality, cost, schedule, safety, and the environment.

> We selected TCS for supporting our digital transformation not only because of its accumulated global knowledge and technological capabilities, but also because throughout the long histories of both companies, there is a common bond in our corporate cultures of valuing stakeholders, including society and customers as well as employees. Building 4.0 will turn the dreams of our stakeholders into reality, and we would like to develop it as a foundation to connect with a sustainable society of the future.
>
> **Keizo Iwashita**
> General Manager of Digital Division & Executive Officer
> Takenaka Corporation

Through Building 4.0™, Takenaka will continue to create new value for society and customers while improving business efficiency. It will also contribute to the realization of a sustainable society enabling new architecture and urban creation services that is in harmony with the environment and local communities.

Q&A with

You stood out in the industry with virtually zero attrition at senior levels. Now you had CEO-level attrition for the first time in your history. What does this say about your retention of senior talent?

ML: One swallow does not a summer make. This unprecedented event at TCS is just a reminder that CEOs are human too, and might want to pursue their dreams and aspirations just like anybody else. As for our track record in retaining senior leadership talent, it remains industry-leading.

I am proud to say that almost the entire team of 25 business heads we had created in 2008 is still in TCS. We have over **125,000** TCSers today with an average tenure of over 10 years in TCS. This cohort represents the true strength of TCS. They are the custodians of our culture, values and institutional memory, and have been central to our ability to weather the unprecedented attrition and influx of fresh talent without letting it affect the high quality of project outcomes that our clients have come to expect from TCS.

We not only retained our leadership talent better, but also expanded the leadership pool six-fold in the last five years by incubating a next generation of leaders running sub-ISUs, with P&L responsibilities. The breadth and depth of our leadership bench today makes our succession planning an industry benchmark, with multiple equally-qualified successors for any leadership position, starting from the CEO down, as you recently witnessed.

Is normalizing attrition a margin tailwind for FY 2024? What is your margin outlook for the year?

SS: Normalizing attrition is definitely a relief, but I wouldn't call it a tailwind. We incurred a **1.4%** margin headwind in FY 2023 from backfilling and retention expenses. If we onboarded a lateral hire at a 20% premium during the year, that increase in employee cost is a recurring one. But yes, hopefuly we won't have any new headwind due to attrition in FY 2024.

Also, with the supplyside challenges easing, incremental cost of hiring laterals should be lower, and it also gives us an opportunity to bring down subcontractor expense. That is one important margin lever for FY 2024. Utilization improvement, flatter employee pyramid and hopefully, currency support, are the other levers. On the other hand, we will have our usual wage increase in Q1 and we should see further increases in travel expenses during the year.

You won many large outsourcing deals in FY 2023, and your highest ever number of large deals in Q4. Won't this hurt margins in FY 2024?

SS: It is not true that large outsourcing deals are necessarily margin dilutive. A few high profile mega-deals in the industry whose low quality revenues impacted margins have resulted in that perception. In the last five years, TCS has won several mega deals with TCV over $500 million, and every year we win dozens of large deals, with TCV over $50 million. And yet, during this period, our EBIT margin has remained in a tight band between 24 and 26 percent.

Profitability of large deals depends on how you construct them. A client might push for a certain amount of absolute cost reduction at the time of contract renewal. The service provider can either drop prices and sacrifice margins to deliver those savings, or propose a completely different operating model that uses lesser effort, protects or even expands margins, and achieves the client's objectives.

TCS has differentiated itself in this space with the latter approach. Its win-win propositions reimagine the customer's operating model, leveraging AI and machine learning to reduce human intervention while improving process velocity and operational resilience. Customers have really taken to this idea. In FY 2023, we signed 29 large operating model transformation deals, covering business as well as IT operations, compared to 18 in the prior year.

Attrition among women is higher than for men. Why? How are you addressing this?

ML: Historically, women's attrition at TCS has been similar or lower than men's attrition, so this is unusual. There might be other reasons but intuitively, I would think working from home during the pandemic reset the domestic arrangements for some women, keeping them from returning to office even after everything normalized.

The higher attrition among women in FY 2023 is a setback to our efforts to promote gender diversity but we are doubling down on it. Focused leadership development programs like iExcel are driving tremendous change. Of all the leadership positions fulfilled with internal candidates in FY 2023, women made up **23%** of the selected candidates, even though they account for only **14%** of the applicant pool. This speaks well of the quality of the women candidates in our leadership pool as well as the supportive attitudes of our business leaders in promoting diversity. Likewise, in our external hiring, women make up **38.1%** of our net hires this year, versus **35.7%** in our workforce.

Why is Return to Office so important to TCS? Why not let employees continue to work from home?

ML: Work from home is definitely more convenient for everybody, but there were drawbacks. Tenured employees who are well networked within the organization can work effectively and even collaborate virtually using the social capital built up over the years. That isn't the case with more junior employees. Workplace essentials like collaboration, mentorship and team-building suffered a lot in these two years.

Then there is the matter of organizational culture. Over half our workforce today was hired after March 2020. New employees get acculturated through physical interactions with senior colleagues and leaders, by observing and following their behaviors and ways of thinking. Without those interactions, employee engagement as well as acculturation got badly impacted. All these factors led us to gradually bring back people to our offices during the year.

With laterals brought in at higher salaries, how do you manage the wage gaps between individuals of similar profile doing similar work?

ML: Yes, this is another unusual, industry-wide problem. The pay disparities will eventually go away for two reasons. One, we are running a program called Elevate that empowers employees to take control of their careers and pursue their aspirations by achieving certain learning goals. Meeting those goals can result in significant pay increases, perhaps even a doubling of salary. Second, there will be a natural time-correction through performance-linked wage increases, promotions and voluntary attrition.

Will sticky onsite inflation be a structural headwind for your margins?

SS: In the short term, higher onsite wage inflation is a headwind because our legacy contracts have much lower cost of living adjustments written in. But in the medium and longer term, this will get adjusted.

Wage inflation affects everybody in the market including the clients themselves. Newer contracts reflect the changed cost structure for onsite effort. Also, contractual terms now peg annual cost of living increases to prevailing inflation rates. That should help mitigate inflation risks in longer term contracts.

Without the inflation differential, the Rupee may show greater strength than in the past. How will your margins sustain then?

SS: Inflation differential is not the only driver of currency depreciation. Rupee is also affected by India's trade deficit, interest rate differentials and capital movements. But for argument's sake, let us assume that we may not have the benefit of currency depreciation in the future. Now remember, the currency depreciation basically helps us offset wage inflation in India which historically, we never passed on to clients. In the changed circumstances, this too will get baked into new contracts the same way onsite wage inflation has been. So in the longer term, we should be able to sustain our current margins.

Finally, a question on generative AI. Will the productivity gains delink revenue growth from headcount addition in the future? Can we expect a higher margin as a consequence?

ML: In my view, the productivity benefits will get baked into clients' expectations around project velocity and throughput. For a given project team size, clients will expect much higher output at a much faster pace, compared to today. On aggregate, as the unit price of a function point falls, we expect volumes to increase. With ever-increasing dependence on technology for competitive differentiation, we expect enterprise spending to keep growing, for which we will have to keep hiring new talent. So the linearity between revenue and headcount is not going away any time soon.

SS: Margins are a measure of relative competitiveness. Based just on the productivity improvements in code generation using generative AI, it is difficult to see how a technology which is freely available to everyone – service providers as well as clients' IT teams – can change relative competitiveness and by extension, margins. Margin improvement is possible from selling higher-priced growth and transformation solutions which use generative AI. Likewise, new software products or platforms which use generative AI to deliver superior business outcomes.

Innovating to **Improve Crop Yields and Farmer Incomes**

With climate change, agriculture is increasingly vulnerable to extreme weather events, inconsistent rainfall, as well as increased pest and disease outbreaks. This affects crop yields, farmer incomes and food security.

To help address these challenges, TCS built a digital platform to empower the Indian farmer and improve the resilience of the nation's farming sector. The TCS Digital Platform for Next Generation Agriculture (DNA) is a state-of-the-art, cloud-based decision intelligence and crop monitoring system that provides customized, site-specific predictive advisory services to farmers and other players in the food value chain.

TCS DNA uses an innovative `Sky-Earth' convergence, intelligently fusing remote-sensing data from earth observation satellites and drones with data from proximal sensors and handheld devices on the field. This gives scale and reduces cost significantly without sacrificing accuracy. Proprietary AI/ML algorithms are utilized to analyze the data and provide reliable information and predictive intelligence on weather, soil condition, crop health, and pest forecasts. Farmers can use these insights to make quicker and more informed decisions, optimize production costs and improve their yield.

Rallis India Ltd, a leading agri-input company, partnered with TCS for the first field deployment of the new platform, to improve the productivity of its hybrid seed production farms, as well as for internal business planning. Branded Drishti ("Vision"), the platform is used to monitor approximately 130 million hectares of agricultural land across India, for various aspects such as crop productivity, soil moisture, early alerts for pest outbreak, as well as seasonal weather anomalies and extreme weather events. The platform has helped Rallis increase the field scouting efficiency of its hybrid seed production team, and improved yield by 1 to 2%.

TCS DNA is also helping Amalgamation Plantations, the second largest producer of tea in India, improve the quality and sustainability of tea leaves procured from small tea growers. It is being used to remotely monitor various aspects of small plantations using satellite imagery, predict pest and disease and improve quality. This is expected to help small tea growers improve their income by 15% and reduce rejections by 20%.

"Our partnership with TCS is helping us alleviate the issues of farmers and agriculture. The Drishti platform identifies problem areas and offers actionable insights to farmers in India, leading to effective crop management by reducing the risks and minimizing the loss in yield.

Sanjiv Lal
MD & CEO
Rallis India

Management Discussion and **Analysis**

Overview of the Industry

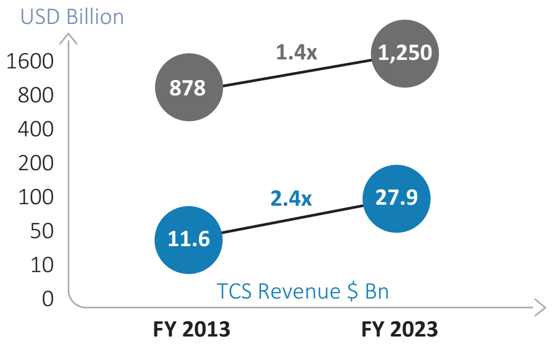
Global GDP in FY 2023 was affected by the Russia-Ukraine war and resultant dislocations in supply chains, leading to surging food and energy inflation. Central banks raised interest rates sharply in response. As a result, the global GDP is estimated to have grown at a more subdued 3.4% in 2022, versus 5.9% in the prior year[1].

Global technology spending on Enterprise software and IT services crossed the $2 trillion[2] mark in 2022, growing 5.5% YoY. IT services grew 3.5% YoY, to $1,250 billion. This growth was led by accelerated cloud adoption, preference for external expertise due to severe talent scarcity, and expanding scope of digital transformation to cover more back-office operational areas.

The global IT services industry continues to be a highly fragmented one, with even the largest provider having a mid-single digit market share. TCS is among the largest IT services providers globally, with a market share of 2.2%, and has outperformed the market, growing significantly higher than market growth over the last decade.

[1] World Economic Outlook, IMF, April 2023
[2] Gartner

Global Spend on IT Services ($ Bn)



The outperformance may be attributed to market share gains resulting from TCS' longer-term, purpose-driven partnerships with its customers, its agile organization structure, and a very stable management team; its investments in organic talent development, research and innovation, intellectual property and in building newer capabilities that have helped expand wallet share with clients; and better execution resulting in greater customer satisfaction.

TCS' Business

An Overview

TCS is an IT services, consulting and business solutions organization partnering many of the world's largest businesses in their transformational journeys for the last 55 years. It has a global presence, deep domain expertise in multiple industry verticals and a complete portfolio of offerings – grouped under consulting and service integration, application services, digital transformation services, cloud services, engineering services, cognitive business operations, and products and platforms – targeting every C-suite stakeholder.

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

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

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

Strategy for Sustainable Growth

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

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

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

These growth and transformation (G&T) engagements are higher value engagements catering to the needs of a broader set of stakeholders in the client organization, enjoying greater visibility within the CXO suite and more closely aligned with their business strategy. An expanding share of this business is helping drive a steady increase in the scope and scale of services consumed year after year, and an expansion of TCS' share of wallet, as evidenced by the client metrics.

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

Enabling Investments

TCS pioneered[3] the use of the word 'digital' to describe the new family of technologies that emerged in the last decade. Quick to recognize the potential of cloud, the company made investments ahead of time in launching new platform-based business models as far back as in 2009[4], reskilling the workforce, research and innovation, building collaborative workspaces and innovation centers, intellectual property, and alliances and partnerships. Those early investments have given TCS a head start in participating in its customers' G&T journeys.

The company continues to invest in co-innovation hubs, launching TCS Pace Ports™ in major markets. TCS teams use these physical spaces to work with academic and start-up partners, ideate jointly with client teams and rapidly build prototypes. The Pace Ports at Pittsburgh in the US, in the Carnegie Mellon University campus, and the other in Toronto, Canada, were formally inaugurated this year. Including the ones in Tokyo, New York and Amsterdam, the company has five Pace Ports in all.

The company launched joint innovation hubs as well, using the TCS Pace™ framework. TCS and Boots launched an agile incubator called INNOVATE Powered by TCS Pace™, at Boots' Nottingham headquarters in the UK. TCS forged a major applied engineering and research partnership with The National Robotarium, UK's largest and most advanced AI and robotics research centre, located at Heriot-Watt University's Edinburgh campus.

TCS continued to expand and deepen its industry-leading portfolio of products and platforms, launching new variants within the ignio™ suite and building newer functionality and features in the TCS BaNCS™ suite, HOBS, TwinX, Mastercraft and Jile. TCS Omnistore™ now offers three more modules as part of its AI powered enterprise personalization- Unified and composable commerce, Enterprise personalization, and Marketing hub.

TCS' dedicated practice units around AWS, Microsoft Azure and Google Cloud Platform have been steadily investing in training, certifications, credentials and in building solutions and intellectual property on their respective hyperscaler stacks. In FY 2023, the company crossed the milestone of 100,000 hyperscaler-certified employees. By virtue of being one of their largest system integrator partners with deep domain expertise across multiple areas, TCS was the launch partner for many new solutions introduced by hyperscaler platforms during the year.

The company has leveraged its deep domain knowledge across multiple industries to create an extensive catalog of over 100 industry cloud offerings addressing the needs of clients across 20 industries. The portfolio of TCS solutions available on public hyperscaler cloud platforms continued to expand. In FY 2023, TCS Dexam™, TCS DigiGov™, TCS Cognitive Plant Operations, TCS Mobility Cloud Suite and TCS ESG Integrator were added to the list of existing solutions like TCS Omnistore™, TCS MasterCraft™, 5G Edge Suite, TwinX, TCS Clever Energy™, TCS IP2™ and TCS Envirozone™.

Strategic Responses to Opportunities and Threats

Opportunity / Threat	TCS Approach	Outcomes
Macroeconomic uncertainty impacting decision making and prompting cost reduction initiatives	• Proven track record in helping enterprises reduce their cost of operations. • Proactive pitching of IT and business operating model transformations that not only deliver greater efficiency, but also enhance enterprise agility, resilience and throughput. • Leveraging full services capability and deep client relationships to propose product-aligned operating models. • Use of TCS Cognix™ to accelerate operations transformation, using over 600 pre-built automation components that infuse AI/ML and other technologies into IT and business processes to reduce human intervention, increase velocity and throughput.	• Strong deal flow resulting in a robust order book that gives better visibility of medium-term growth. • Market share gains in vendor consolidations. • Efficiency gains helping fund client's transformation programs in some instances. • TCS Cognix recognized as a means of driving quicker realization of RoI and used by nearly 300 clients.

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

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

Opportunity / Threat	TCS Approach	Outcomes
Greater interest in using technology to drive business growth and differentiation	• Focused on developing contextual knowledge and applying that for inside-out transformations. • Continued investments in research and innovation, TCS Pace Ports, and intellectual property (IP). • Dedicated practice with domain experts to bring together TCS' differentiated capabilities from across the organization to stitch together comprehensive solutions. • Proactive pitching of solutions to customers' most pressing business problems. • New brand tagline 'Building on Belief' to strengthen positioning as a growth and transformation partner.	• Expansion of addressable market. • Growing share of G&T business adding to growth. • Higher quality revenue, lending margin resilience. • More deeply embedded in the client's business. • Engaging with a broader set of buyers in the client organization. • Higher visibility within C-Suites.
Accelerated adoption of public cloud	• Dedicated business units with end to end capabilities on each of the hyperscaler platforms. • Continued investment by each of these units in skills, certifications, credentials, IP and accelerators. • Articulated the multi-horizon cloud transformation framework. • Made available TCS products and solutions on public clouds.	• Strong growth in cloud transformation revenues. • Top tier partner to each of the hyperscalers. • Preferred partner to clients seeking to use cloud native capabilities to power their growth and transformation. • Over 110,000 hyperscaler-certified employees.
Greater acceptance of as-a-Service platforms	• Strengthened alliances and launched new offerings around the popular and new SaaS products. • Helped ISV* clients upgrade their products to launch new SaaS versions. • Partnering with product manufacturers to help launch innovative as-a-Service offerings using TCS Bringing Life to Things IoT framework. TCS IP: • Promoted SaaS versions of in-house product portfolio, now available on hyperscaler platforms. • Used IP portfolio to launch new platforms that bundle IP and shared services on the cloud.	• Stronger win-win partnerships. • Expansion of addressable market. • Strong growth in SaaS sales. • Platforms drive stickier relationships, with long term revenue visibility.

* Independent Software Vendor

Talent Management

TCS aims to attract, develop, motivate and retain diverse talent, that is critical for its competitive differentiation and continued success. The company's talent management strategy seeks to maximize the potential of every employee by creating a purpose-driven, inclusive, stimulating, and rewarding work environment, delivering outstanding employee experience, while fueling business growth. TCS strives to create a vibrant workplace and an engaged workforce by encouraging four behaviors: *follow your passion, stay hungry, commit to lifelong learning and thrive together.*

In FY 2023, TCS made a net addition of 22,600 employees globally, taking the total employee base to 614,795, representing 150 nationalities.

After two years of remote working, TCS initiated a Return to Office initiative to better integrate and acculturate new recruits, deepen employee engagement levels, drive purposeful engagement and extend the spirit of #OneTCS. As an outcome, 50% of employees started working from office for two or more days in a week.

Industry-First Initiatives

- Intensified focus on equipping the company's mid-level managers with market relevant skills by providing the right learning and certification opportunities to help them succeed in a world of new technologies. More than 90% of the target employee pool is participating in this strategic program and close to 60% is certified in various market relevant skills.

- **Xcelerate**- The industry recognized Talent Transformation platform for employees, to capture employees' aspirations and mapping them to future opportunities. Aspirations of nearly 2/3rd of TCSers were captured, with ~100K progressing towards their aspired roles.

- **Engagement with Purpose** – A platform for employees to live TCS' values through collective community service, enhance organizational belonging and self-actualization. More than 400,000 employees were engaged as part of the initiative.

Talent Acquisition

In FY 2023, TCS responded with agility to the changing supply side dynamics which saw the unprecedented industry-wide employee churn peaking mid-year, then falling sharply in the latter half. This entailed recalibrating talent acquisition dynamically to fully utilize the additional capacity built up in the prior year.

The company remains the preferred employer and one of the largest job creators in IT services in several major markets, for both freshers and lateral hires. In addition to about 44,000 fresh engineers, TCS onboarded its highest ever number of lateral recruits during the year. It also pivoted from a virtual-only mode to a hybrid model of virtual and in-person recruitment focused on attracting the right talent, creating better employee experiences, and building the TCS brand.

Key Achievements:

- **TCS National Qualifier Test:** Over 618,000 students from more than 4,200 institutes in India competed for the opportunity to work for TCS.

- Hiring from India's top B-schools, including the top 3 IIMs, continues with internship and placement offers as part of the strategic leadership program.

- **TCS CareersNext:** TCS' virtual career fair platform was leveraged for conducting 3 virtual hiring drives in this year, yielding over 32,000 registrations and 8,000 job applications.

- **TCS HackQuest**, the company's flagship ethical hacking competition now in its 7th season saw over 58,000 registrations from more than 3,000 institutes across India.

- Programs to improve diversity in hiring produced encouraging outcomes. **Rebegin**, an initiative for experienced women professionals re-entering the workforce after a break saw nearly 14,000 job applications. Over 200 job applications were received from people with disabilities.

- **TCS Sigma** launched in FY 2023 to provide career opportunities for graduates and postgraduates in pharmacy in the company's life sciences business.

- **TCS Academic Interface Program** continued to engage with faculty and students through focus group connects, workshops, faculty development programs and other campus outreach activities. In FY 2023, TCS engaged with over 216,000 students and about 17,000 faculty members in nearly 1,500 partner academic institutes across the world. More than 2,000 interns were engaged during the year.

Culture and Diversity

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

TCS recognizes that a diverse and inclusive workforce is necessary to drive innovation, foster creativity, and guide business strategies. Its disclosures around DEI earned it a place in the Bloomberg Gender-Equality Index (GEI) once again. Other highlights include:

- **iExcel:** TCS' flagship executive leadership development program for women completed 22 editions, benefiting 1,450 women leaders.

- **The Diversity Maturity Matrix:** An in-house diversity measurement tool that aims at identifying gaps and assessing an organization's maturity in DEI.

- **Client engagement:** Allies of Diversity is a program where senior leadership from client organizations are invited to share diversity best practices. Engagement with 75 C-Suite leaders with 63 different client organizations has been completed till date. An Allies of Diversity conclave was organized in London to provide a forum for DEI leaders to share organizational learnings. DEI focused learning programs were conducted for 4 client organizations.

- **The Workplace Coach:** A 75-hour internal coach certification program enabling individuals to become coaches. This supports individuals within the organization towards ACC certification. So far, 3 cohorts have completed this program bringing together over 450 internal coaches.

- **Education and Sensitization:** TCS has mandatory online training designed to sensitize employees on key concepts of DEI. 504,255 employees completed this in FY 2023.

- **Employee Resource Groups:** These serve as platforms for under-represented communities and their allies to share concerns, experiences, stories and strategic solutions. TCS has 13 voluntary, employee-led groups that have come together based on shared diversity identity characteristics or interest.

- **Champions of Equity:** This campaign was created to ensure a fair and inclusive culture at the workplace. Under this program, 105,000 employees have taken a pledge till date, to be a Champion of Equity – someone who treats everyone with fairness and transparency, and takes an inclusive approach towards every individual, culture and system.

- **TCS Culture Survey:** As part of the Belongingness campaign, TCS Culture Survey was rolled out and responded to by over 7,000 employees across 7 geographies.

- **Employee Engagement**: Over 84,000 employees participated in DEI learning programs and diversity celebration month.

- **Supplier Diversity:** TCS has a Supplier Diversity Program that identifies certified diverse suppliers that can provide competitive, high-quality goods and services, whose business model is aligned with the company's business strategy.

Talent Development

TCS strongly believes that every employee should have access to market relevant learning opportunities for career growth and no TCSer should be left behind. The company has adopted a segmented approach to learning to ensure this.

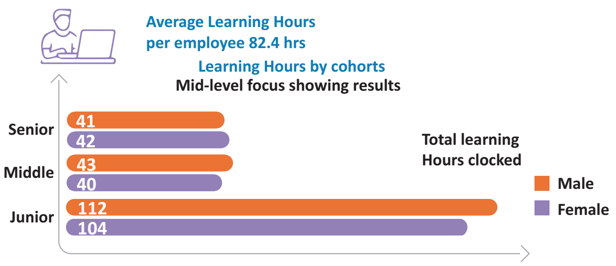
TCS Elevate: TCS' pioneering program linking learning to career growth and reward covered over 407,000 employees. Over 22,000 employees were identified as high talent and received increased compensation.

Contextual Masters: TCS' program to identify tenured employees with contextual knowledge of the customer's business and technology landscape, continues to expand. The company has over 64,000 Contextual Masters who are being groomed to be next generation transformation leaders with specially curated leadership development programs designed in collaboration with Ivy league institutions.

Key Metrics:

- 60,000 open positions fulfilled using up-skilled / cross-skilled employees.

- TCSers invested in 82.4 hours of learning on average during the year.



- TCSers acquired 53,000 certifications on various hyperscaler cloud technologies during the year. With over 110,000 cloud certified employees in total, TCS is the #1 partner for Google and #2 partner for Microsoft Azure.

- 500,000 employees trained in digital technologies, with an average of ~7.5 competencies per employee.

- 568,000 employees have acquired Agile competency, with 495,000 of them groomed as Agile practitioners, over 35,000 as Agile certified and about 3,000 as mentors and coaches.

- Taking advantage of the large numbers of employees who started returning to office after two years of entirely virtual working, the company adopted an increasingly phygital (physical + digital) approach to learning and development. Over 80,000 TCSers benefited from in-person training during the year.

Building on Belief through Purposeful People Policies

Based on feedback received from employees, evolving needs of the workforce and best practices in the field of human capital management, the company makes refinements to existing policies and introduces new policy. In FY 2023, TCS:

- Introduced a new policy on workforce fluidity, in keeping with its talent cloud strategy, that encourages employees to take ownership of their careers by seeking new and challenging opportunities at defined periodicity.

- Introduced a policy on flexible work arrangements, which provides necessary support and flexibility for caregivers of young children, expectant women employees, and persons with disability.

- Extended its policy on DEI to include gender identity, individuals with mental variations and HIV/Aids affected persons at the workplace, and to comply with relevant inclusivity laws.

Talent Transformation

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

- **Mentoring:** TCS has been building a culture of mentoring and coaching in the organization through systemic intervention programs as part of its Mentor Capability Building Framework. This was further strengthened during the year with the introduction of two new certifications – Platinum and NexGen certification in mentoring. TCS currently has about 36,000 mentors in the organization of whom more than 3,500 Gold and Silver certified.

- **iConnect** is a highly collaborative tool designed to help employees reach out to senior mentors for guidance on career paths, and have face to face dialogues about their role and career. In FY 2023, over 29,000 iConnect sessions were initiated.

- **Talent Review** is TCS' process to assess and review the leadership pool in the organization. It enables leaders to share their career aspirations and preferences of mobility, followed by an assessment of their leadership attributes. The objective of the program is to create and sustain a healthy leadership pipeline.

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

Competitive Compensation

TCS' business model depends on its ability to attract and retain talent in the highly competitive, global market for software engineers with graduate or post-graduate degrees in engineering and with relevant technical skills.

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

At TCS, three months' notice is required from either side for termination. Although most of the organization's activities are performed by full-time employees, TCS uses contractors, especially for short-term assignments or those requiring skills not internally available.

Engagement with Purpose

With more employees returning to work, various programs were run to enable higher levels of engagement. More than 320,000 employees were engaged through townhalls and project confluences with an emphasis on Living my Values, Build my Career and Lifelong Learning. The company enabled more than 22,000 mentoring sessions and over 15,000 career conversations.

Highlights of the company's key engagement forums:

- **New Joinee Integration:** Various structured programs such as meet and greet sessions, workplace visits and leader connects were organized to improve the integration experience of new joiners at various milestones of their induction in the initial one year. The effectiveness of these programs was demonstrated by the high 83% iBelong satisfaction index.

- **TCS Cares:** Aims to build an emotionally strong and mentally resilient workforce. A special edition targeting leaders saw participation by over 1,100 leaders. 87% of participants agreed that it helped in their wellbeing and 80% agreed that their productivity increased after attending this program.

- **Fit4life:** Builds a fraternity of health and fitness conscious employees and creates a culture of fitness. 54,000 active participants logged physical activity equivalent to running 24 million kms.

- **Purpose4Life:** Forum for volunteering for community projects in the areas of education, health and environment. More than 40,000 volunteers participated in various social outreach initiatives, contributing 898,000 volunteering hours that benefited 394,000 individuals in the community.

- **PULSE:** Pulse 2022 recorded an enthusiastic participation with more than 400k employees taking in the survey. TCS has achieved Satisfaction Index of 79.5 and Engagement Index of 81.0.

Other engagement and collaboration platforms in TCS include:

- **Knome, KnowMax, GEMS:** Platforms for social collaboration within the organization, learning, sharing and for rewards and recognition.

- **Safety First:** Initiative focused on employee safety and security.

- **Maitree:** Community of TCSers and their families who plan activities that help create a bond among employees and promote work-life balance.

Employee Retention

TCS' values-driven culture, progressive HR policies, and philosophy of investing in people and empowering them have been integral to creating a culture of belonging and One TCS and also made it an industry benchmark in talent retention.

The company's philosophy of grooming leadership from within, and giving first right of refusal to internal talent for new open positions, inspires higher levels of loyalty to the organization. This has resulted in a very strong, deeply acculturated mid-layer with long tenures in the company. This cohort played a pivotal role in seamlessly integrating new talent in FY 2023 and added significant value through their contributions and contextual knowledge.

Unprecedented levels of employee churn across the industry drove TCS' attrition to an all-time high in the first half of FY 2023. It trended down in the second half. IT services attrition was 20.1% on an LTM basis.

Occupational Health and Safety

TCS has a well-defined Occupational Health and Safety (OHS) policy and supporting processes to ensure the safety and well-being of its employees. Safety lead and lag indicators are measured across the organization and reported. The Stakeholders' Relationship Committee in the Board reviews the company's health and safety performance on a half-yearly basis. Over 94% of the workforce is represented in joint management-employee health and safety committees that monitor, advise, and drive occupational, health and safety initiatives.

TCS is certified to ISO 45001:2018 Occupational Health and Safety Management System standard across 127 of its facilities worldwide covering approximately 94% of its total footprint. The company continued to focus on creating ergonomic awareness including correct postures and workstation stretches for an office-based work environment and remote working environment, as employees worked in hybrid mode during the year. General safety awareness (fire safety, office safety, road safety etc.,) and safety incident reporting awareness was also provided to employees through monthly themes and campaign initiatives. There were also several fitness programs, including yoga and meditation practices, mental health and wellbeing which drew employee participation.

FINANCIAL PERFORMANCE OVERVIEW

The discussions in this section relate to the consolidated, Dollar-denominated financial results pertaining to the year that ended March 31, 2023. The financial statements of Tata Consultancy Services Limited and its subsidiaries (collectively referred to as 'TCS' or 'the Company' are prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.

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

($ million)

	FY 2023			FY 2022	
	Amount	% of Revenue	% Growth	Amount	% of Revenue
Revenue from operations	27,927	100.0	8.6	25,707	100.0
Earnings before interest, tax, depreciation and amortization (EBITDA) (before other income)	7,336	26.3	3.1	7,113	27.7
Profit Before Tax (PBT)	7,046	25.2	1.7	6,930	27.0
Profit after tax attributable to shareholders of the company	5,219	18.7	1.6	5,139	20.0
Earnings per share (in ₹)	1.43		2.7	1.39	

Analysis of revenue growth

On a reported basis, TCS' revenue grew 8.6% in FY 2023, compared to 15.9% in the prior year. The growth was driven by accelerated spending on digital transformation initiatives, cloud adoption and increased outsourcing, aided by currency benefit.

Average currency exchange rates during FY 2023 for the three major currencies are given below:

Currency	Weightage (%)	FY 2023 ₹	FY 2022 ₹	% Change YoY
USD	56.0	80.74	74.61	8.2
GBP	12.8	96.98	101.50	(4.5)
EUR	10.8	84.01	86.36	(2.7)

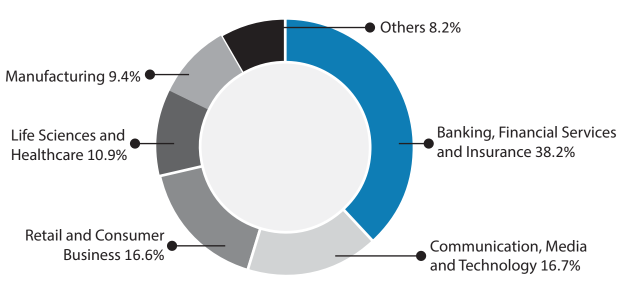
Movements in currency exchange rates through the year resulted in a negative impact of 5.1% on the reported revenue. The constant currency revenue growth for the year, which is the reported revenue growth stripped of the currency impact, was 8.6%.

Growth attributable to	FY 2023 (%)	FY 2022 (%)
Business growth	13.7	15.4
Impact of exchange rate	(5.1)	0.5
Total Growth	**8.6**	**15.9**

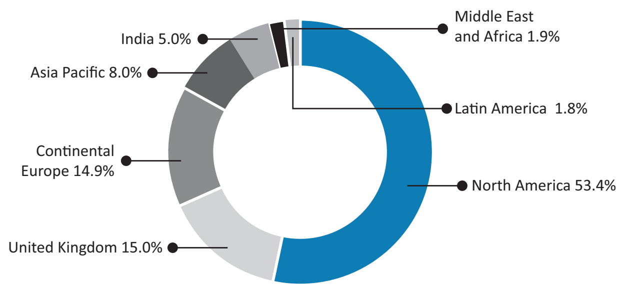
Segmental Performance

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

Revenue by Industry Vertical



Revenue by Geography



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

Industry Vertical	Segment Revenue FY 2023 *(FY 2022)* $ million	YoY Revenue Growth %	Key Demand Drivers[5]	Segment Margin FY 2023 *(FY 2022)* %
Banking, Financial Services and Insurance	10,670 *(10,072)*	5.9	• AI for risk monitoring and management, fraud detection and trading strategies. • Customer journey transformation, ecosystem strategies for new products and services, connected insurance, fintech adoption. • Decentralized finance, embedded finance, Banking as a Service, document custody transformation. • Sustainability and climate change initiatives, green lending.	26.0 *(26.8)*
Communication, Media and Technology	4,664 *(4,273)*	9.2	• 5G and fiber rollout, network virtualization, cloud enablement, product, and platform engineering. • AI-monitored networks, generative AI for automated content creation. • Hyper-personalization, immersive experiences in gaming, recommendation engines.	28.3 *(29.9)*
Retail and Consumer Business	4,647 *(4,118)*	12.8	Retail and Consumer Packaged Goods (CPG): • Marketplace, social commerce, future stores, digital advertising platform, payments. • Smart shelves, smart manufacturing, automated micro-fulfilment centers. • Resilient and intelligent supply chain, partner integration, track and trace, last-mile delivery, AI enabled inventory management. • Seamless and unified customer experience across channels (omni-channel), hyper personalization, CX and recommendations, AI for apparel design and personalized fashion recommendations. • Green labeling. Travel, Transportation and Hospitality (TTH): • Retailing in airlines, new distribution capability, experiential selling and non-booking revenues in hospitality, decision intelligence. • Automation and self-service, touchless experience, digital identity solutions, maintenance drones in airlines, autonomous vehicles, and robots in airports. • Warehouse robotics, intelligent shipment planning, last mile delivery, real-time operations visibility, AI-enabled pricing, end-to-end shipment visibility in logistics. • Safe and sustainable travel.	25.7 *(27.8)*

[5] Only industry specific drivers are listed. In addition, every industry vertical saw demand for TCS' services around IT estate rationalization, core platform simplification, application and data modernization, ERP modernization, cloud enablement, cloud migration, data democratization, data compliance and protection, IT infrastructure modernization, employee experience redesign, digital workplace transformation, cyber security, intelligent automation, business and IT operating model transformation, agile and DevOps adoption, digital marketing and analytics, mergers, acquisitions and divestitures, supply chain transformation, vendor consolidation and cost optimization.

Industry Vertical	Segment Revenue FY 2023 *(FY 2022)* $ million	YoY Revenue Growth %	Key Demand Drivers[5]	Segment Margin FY 2023 *(FY 2022)* %
Life Sciences and Healthcare	3,047 *(2,744)*	11.0	Life Sciences: • Drug discovery, virtual clinical trials, connected labs, and instruments. • Digital twin for manufacturing and factory of the future. • AI-led pharmacovigilance and product surveillance. Healthcare: • Patient experience, health data platforms. • Wearable devices, mobile health. • AI powered diagnosis, treatment planning, digital surgery, personalized medicine.	28.0 *(30.0)*
Manufacturing	2,632 *(2,494)*	5.5	• Integration across silos and digital twins for product innovation. • Connected assets and plants, remote asset management. • Resilient supply chain, parts track and trace. • Front-end digital investments to enhance customer experience. • Plant safety, energy efficiency and decarbonization, emission tracking and monitoring, sustainability focus on facilities waste management and energy, EVs.	27.5 (30.1)
Others	2,267 *(2,006)*	13.0	• Connected ecosystems for utilities, connected home, smart metering and alerts, virtual power plants, remote monitoring and infra inspection. • AI-enabled smart grids, patterns, and predictions. • Energy transition, emission detection and monitoring in critical infrastructure.	21.0 *(20.7)*

Overview of Funds Invested

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

($ million)

	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
	Current		Non-current		Total funds invested	
Investments in mutual funds, Government securities and others	4,487	3,998	27	24	4,514	4,022
Deposits with banks	1,000	2,086	162	163	1,162	2,249
Inter-corporate deposits	103	802	21	40	124	842
Cash and bank balances	258	292	-	-	258	292
Total	**5,848**	**7,178**	**210**	**227**	**6,058**	**7,405**

Total invested funds include $252 million and $226 million for FY 2023 and FY 2022, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Business Outlook

Global growth is projected to moderate from 3.4 percent in 2022 to 2.8 percent in 2023[6] , weighed down by central banks raising interest rates to fight inflation, and Russia's war in Ukraine. In major economies, the heightened risk of a recession – made worse by a banking crisis – has led to uncertainty in enterprise decision-making, affecting spending on capex and certain discretionary programs.

Despite this, spending on IT services has been resilient so far. Cloud migration programs are continuing apace, and clients continue to launch new G&T projects. The higher level of uncertainty in the business environment has made clients more receptive to proactive proposals around IT and business operating model transformations that can not only deliver significant efficiencies but also help them become more agile and resilient. All this has resulted in a strong order book for FY 2023, at $34.1 Bn, which is 1.2 times revenue. The pipeline has also grown well.

This provides visibility on medium-term growth amid near-term uncertainty. If the delayed decision-making and cash conservation seen in some segments at the end of FY 2023 flows over into the first half of FY 2024, that could result in some moderation in full year revenue growth after two years of strong growth.

Key demand drivers expected to power the company's growth in FY 2024 include:

- **Technology transformation:** IT infrastructure modernization, cloud enablement, application and data estate modernization, cloud migration, data centre and collocated data support, digital workplace, digital twins, cyber security, ERP modernization, low-code no-code, 5G/ Edge and AI adoption.
- **G&T:** Customer experience transformation using personalization, omnichannel implementation, immersive experiences using XR/Metaverse, product and business model innovation, supply chain modernization, M&A integration / divestitures, sustainability.
- **Operations:** Traditional outsourcing, vendor consolidation and multi-services deals, AI/ML-led transformation of IT / business operations for greater resilience and leaner operating models, managed services models and real time operation visibility.

Enterprise Risk Management

FY 2023 saw multiple external and internal challenges continuing to shape the overall risk profile of the company. Macroeconomic and geo-political risks had an impact throughout the year. The Russia-Ukraine war and geo-political tensions, trade wars and imposed sanctions were pervasive and had direct and cascading impacts on economies and businesses. Shortages, rising inflation, supply-chain disruptions, energy crisis led to further uncertainties in the economic growth environment, with the year ending with banking industry upheavals in US and Europe. During the year, IT organizations including TCS faced the knock-on effects of the pandemic including attrition and impact of hybrid modes of working. Technological advancements and breakthroughs like generative AI and metaverse have opened up new vistas of both risks and opportunities.

TCS continues to monitor this uncertain and dynamic business environment very closely and has strengthened the deployment of its Enterprise Risk Management framework to address the risks and leverage the associated opportunities. This framework enables risk identification, risk assessment, risk response planning and actions, risk monitoring and overall risk governance. Key risk indicators and control indicators are used to anticipate risks and assess effectiveness of their mitigation actions respectively.

TCS takes a holistic view of its enterprise risk profile, covering strategic, operational, compliance, financial and catastrophic risks, thus enabling informed decision-making. Risks are assessed and managed at various levels with a top-down and bottom-up approach across the enterprise, business units, geographies, business functions, customer relationships and individual projects.

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

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Volatile global political and economic environment (R)	• Geo-politics and macroeconomic volatility can affect demand for the company's services. The ongoing Russia-Ukraine war has led to supply chain disruptions, energy crisis, food and merchandise scarcities and related inflation.	• Broad-based business mix, well diversified across geographies and industry verticals. • Monitor changing geopolitical scenarios, the potential business implications and strengthen internal controls to further safeguard against secondary risks.	

[6] IMF World Economic Outlook Update, April 2023

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
	• Persistent high inflation in major economies could affect consumer spending and fuel social unrest. Repeated interest rate hikes by central banks to rein in the inflation could result in economic slowdowns. • Continuing turmoil in the banking sector could affect not only spending in that sector, but also squeeze liquidity. • All of these could affect clients' business outlook and result in reduced demand for TCS' services. It could also increase TCS' costs of doing business. • In addition, there could be risks to service delivery, business continuity, cybersecurity, sanctions compliance and human rights risks in geo-politically sensitive zones, all of which could increase costs or affect the company's revenue growth.	• Offerings and value propositions targeting all stakeholders (in addition to the CIO) in the customer organization, covering discretionary as well as non-discretionary spends, and relevant at every point in the business cycle. • Participate in the customer's G&T initiatives through services and offerings including advisory services, migration and modernization of applications and workplace transformation using location independent agile, deep contextual knowledge and data-driven analytics and dashboards. • Where customer's discretionary budgets are uncertain, focus on cost and optimization propositions in the short term to improve their business efficiency. • Proactively invest in infrastructure and resourcing to satisfy anticipated customer demand for flexible products and platforms-based solution offerings and subscription-based services to gain market share and new clients and markets. • Enter into more long-term contracts. • Target market segments which provide counter-cyclical support in times of downturn. • Leverage business ecosystem through collaboration with partners, start-ups and alliances to participate in transformation initiatives of customers. • Country-level business continuity plans in place to address potential conflicts in the region.	Negative
Talent risk due to huge demand for talent globally and attrition (R & O)	• The company's ability to attract, develop, motivate, and retain talent is critical to its business success. • Talent scarcity can lead to poaching of the company's employees and result in higher attrition. This can disrupt ongoing projects, slow down planned ramp ups and affect revenue growth. • Inability to scale up experienced professionals with niche digital skills from the market, can also impact TCS' ability to grow.	• Commitment to organic talent development, best in class learning and development, career growth linkage to cross-skilling / upskilling, preference to internal talent for new leadership positions, all incentivize planning of longer-term careers in TCS and improved retention. • Tactical initiatives to retain talent using proactive as well as reactive initiatives. • Focused employee engagement to reduce attrition, increase sense of belonging and build capability to capture the demand from the market. • Leverage top employer brand and social networking sites and talent sourcing channels to tap into the passive pool.	Negative

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
		• Reduce talent acquisition cycle time to improve joining rates through innovative practices. • Engage in various markets through investments in STEM/goIT programs, campus engagements, local hiring and building reputation to attract local talent.	
	Opportunity: • Talent scarcity in major markets is impeding enterprises' ability to staff projects, increasing the propensity to outsource. • Superior talent retention by TCS can result in greater delivery certainty and therefore a differentiated positioning for the company, driving market share gains.	• Proactive pitches to clients for operating model transformations leveraging AI and automation, or managed services models to enable tapping into global talent pools. • Commitment to organic talent development, best in class learning and development, career growth linkage to cross-skilling / upskilling, preference to internal talent for new leadership positions, all incentivize planning of longer-term careers in TCS and best in class talent retention. • Focused employee engagement to reduce attrition, increase sense of belonging and build capacity to capture market share. • Higher level of industrialization, with robust processes and controls, and knowledge management reduces disruption due to attrition of individual team members, and helps differentiate TCS.	Positive
Restrictions on global mobility, location strategies (R)	• Distributed software development models require the free movement of people across countries and any restrictions in key markets pose a threat to the global mobility of skilled professionals. • Restrictions could also be due to legislations which limit / delay the availability of work visas or which apply onerous eligibility criteria or costs, leading to project delays and increased expenses.	• Ongoing monitoring of the global environment, working with advisors, partners and governments to promote local talent building efforts. • Material reduction in dependency on work visas through increased local hiring, use of contractors, local mobility and training in all major markets. • Leveraging the SBWS™ model to deliver from anywhere. Use of Location Independent Agile to promote systematic collaboration and reduce the need for co-location. • Active engagement in Science, Technology, Engineering and Math (STEM) initiatives designed to structurally increase the availability of engineering talent in major markets. • Greater brand visibility through event sponsorships, community outreach, showcasing of investments, innovation capabilities and employment generation. • Increased outreach to government stakeholders, trade bodies, think tanks and research institutes.	Negative

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Business model changes in customer enviroment (R & O)	• Rapidly evolving technologies are changing technology consumption patterns, creating new classes of buyers within the enterprise, giving rise to entirely new business models and therefore new kinds of competitors. • High levels of economic uncertainty can result in clients recalibrating their IT programs and pulling back their spending on discretionary projects. • Increased focus on corporate restructuring and mergers and acquisitions in some industries is driving vendor consolidation, insourcing and cost reduction pressures. • These changes require agile responses. Inability to quickly adapt could affect company's competitiveness and result in loss of market share.	• Investments in innovation and differentiated capabilities at scale on emerging technologies through large scale reskilling, external hiring, research and innovation, solution development and IP asset creation leveraging deep contextual knowledge across customer specific domain, technologies and processes. • Dedicated business service units providing end-to-end transformational and operational solutions on leading cloud platforms spanning advisory, migration and modernization and support of applications. • Constantly scouring the technology landscape using strong partnerships with clients, technology providers, academia, and start-ups, to spot new trends, technologies and potential threats, invest early in building capabilities to mitigate risks and participate in the opportunities.	Negative
	Opportunity: • Increased focus on corporate restructuring and mergers and acquisitions in some industries is creating new opportunities for IT separations and integrations. • Interest in technology-enabled business model innovation has opened up opportunities for the company to participate in clients' growth and transformation spending. • Pressure to establish competitive differentiation is driving enterprises to look for partners to speed up and scale up their innovation efforts. • This is also driving greater interest in pre-built solutions, products and platforms that can accelerate the deployment of transformational solutions. • The quest for cost efficiency along with greater resilience and agility in operations is expanding the opportunity for comprehensive operating model transformations.	• Steadily expanding coverage of newer buyers in the enterprise by constantly launching new offerings and solutions to their most pressing business problems. • Innovative offerings like operating model transformations using TCS Cognix to help deliver significant cost savings quickly, Location Independent Agile methods to mitigate location constraints and pricing and margin pressures. • An entrepreneurial mindset, a decentralized decision-making which empowers frontline managers to take decisions, and an organization structure that enables the company to adapt to constantly evolving situations on the ground with agility and speed. • Differentiated solutions for organization divestiture and integration, catering to M&A-induced demand for advisory and business consolidation related services. • Large portfolio of IP made available on hyperscaler clouds to accelerate clients' Horizon 2 and 3 transformation journeys. • PacePort co-innovation hubs, Agile innovation cloud framework, and extended innovation ecosystem including partners and start-ups to help clients accelerate their product and business model innovation.	Positive

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
		• Bringing Life to Things framework to help clients create connected products, launch remote monitoring and maintenance services. • Solutions like TCS HOBS and Servitization engine to help clients embrace subscription-based business models. • Focused investments to expand presence in clients' growth and transformation spending, including programs like Contextual Masters to build organizational capacity, new brand tagline, amplification of transformation successes. • Platform-based business models and AI-based operating models to disrupt conventional labor arbitrage based constructs, and gain market share.	
Currency volatility (R)	• Volatility in currency exchange movements results in transaction and translation exposure. TCS' functional currency is the Indian Rupee. Appreciation of the Rupee against any major currency could impact the reported revenue in Rupee terms, the profitability and also result in collection losses. • Conversely, depreciation could optically inflate revenues and earnings, distorting stakeholder perceptions of the underlying business momentum and profitability.	• Currency hedging policy that is aligned with market best practices, to limit impact of short term exchange volatility on receivables, forecasted revenue and other current assets and liabilities. • Hedging strategies guided and monitored periodically by the Risk Management Committee of the Board. • Management commentary based on constant currency figures to enable a currency-neutral understanding of business growth.	Negative / Positive
Breach of data protection laws (R)	• The focus on data privacy and protection of personal data has increased compliance risk. • Legislations like GDPR in Europe carry severe consequences for non-compliance or breach. Many other countries have enacted or are enacting their Data Privacy regulations to ensure protection of personal data. • Violation of data protection laws or security breaches can result in substantive liabilities, fines or penalties and reputational impact.	• Global privacy policy covering all geographies, all areas of operations, and stakeholders, which sets out the privacy principles and guidance for deployment. • Organization structure with the Global Privacy Office to strategize, monitor and guide deployment of data privacy framework across the enterprise. Data Protection Officers and other privacy officers have been appointed for TCS entities as required by local privacy regulations to monitor and drive implementation of data protection principles. Business Privacy Leaders are appointed to deploy compliance to the data privacy framework in all functions and business units. • Unified global framework PrivACE adopted across all entities and branches to standardize privacy practices while catering to local requirements.	Negative

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
		• Continuous monitoring and analysis of changes to regulatory and legal landscape and enhancing the data privacy framework. • Privacy Information Management Systems (ISO 27701:2019) adopted and certified. • Embedded privacy by design and privacy by default principles in development of new or changed internal processes, services and products. • Data protection controls and robust risk response mechanisms to protect personal data in the TCS ecosystem and also in customer engagements. • Industry standard data masking and encryption technologies to protect personal data. • Vendors and third parties subjected to due diligence, contracted with appropriate privacy obligations and tracked for compliance based on risk assessment. • Mandatory trainings and workshops on data protection, Privacy by Design and global privacy regulations. Continuous awareness campaigns through blog posts, email broadcasts, gamification, roadshows and online events. • Risk assessments related to cross border transfers and maintaining data transfer agreements, where required for the transfer of data across jurisdictions. • Periodic reviews and audits by independent audit firm to verify compliance to obligations in addition to internal audits across the ecosystem.	
Cyber Attacks (R & O)	Risks of cyber-attacks are on the rise due to the fast-evolving nature of the threat. There is also an increased risk due to various pandemic themed cyber threats and attacks due to geo-political drivers. In addition to impact on business operations, a security breach could result in reputational damage, penalties and legal and financial liabilities.	• Use of advanced tools based on AI/ML to prevent and detect incursions with quarantine capabilities, including perimeter security controls with advanced tools, enhanced internal vulnerability detection, data leak prevention tools, defined and tested incident management and recovery process in compliance with industry best practices. • Continued reinforcement of stringent security policies and procedures (certified against ISO 27001) including enhanced security measures and awareness building to combat phishing attempts and soliciting for fraudulent causes or charities through social media, text or calls.	Negative

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
		• Close collaboration with Computer Emergency Response Team (CERT) and other private cyber intelligence agencies, and enhanced awareness of emerging cyber threats. • Enterprise-wide training and awareness programs on Information Security including the extensively used enterprise-wide communication and collaboration platforms accessed through mobile or desktop channels. • Strict access controls including non-persistent passwords (OTP) for secure access to enterprise applications/network, special handling of privileged administrator accounts, rigorous access management on all cloud deployments. • Encryption of data, data back-up and recovery mechanisms for ensuring business continuity. • Ability to isolate TCS enterprise network from client network and defined escalation mechanisms to handle security incidents in client environment. • Periodic rigorous testing to validate effectiveness of controls through vulnerability assessment and penetration testing. • Internal and external audits, red teaming, "breach and attack" simulation. • Sourcing threat intelligence from various government, public and private sources to proactively block IPs used by threat actors. • State of the art security operations center with automated playbooks.	
	Opportunity: • Enterprises are increasing their investments in building cyber resilience and turning to specialized third parties to be detect and foil intrusion attempts and limit the impact. • This presents a fast growing business opportunity for TCS to become the preferred cyber security partner to its clients.	• Investments in building local threat management centers across the world. • Launch of new services and solutions including the Cyber Defense Suite.	Positive

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
Non-compliance to complex and changing global regulations (R)	• As a global organization, the company has to comply with complex regulatory requirements across multiple jurisdictions, covering across a broad range of areas grouped under environmental, social and governance themes. • The fast pace and complex nature of changes in the regulatory requirements requires quick identification and sound understanding of these requirements along with agility in adaptation in business operations. Failure to comply could result in penalties, reputational damage and criminal prosecution.	• Deployment of a comprehensive global compliance management framework that enables tracking of regulatory changes across various jurisdictions, including new countries of operations and functional areas and management of compliance risks. • In-house digitized regulatory compliance platform enabling clear accountability, tracking of compliance obligations and governance to ensure long-term business sustainability. • Operationalized regulatory requirements through business policies and embedding into business processes. • 100% digitized, quarterly regulatory compliance declarations enabling self-governance of all compliance areas applicable to company's global operations. • Up to date, effective internal controls to comply with regulations, keep a check on unlawful and fraudulent activities and internal audits to provide compliance assurance. • Strong focus on fostering ethical and compliance culture; awareness through web-based compliance training courses for all staff and regular notifications/alerts on regulatory changes communicated to stakeholders. • Strong governance at board, executive and management levels through compliance committees and compliance working groups.	Negative
Intellectual Property (IP) infringement and leakage (R)	• Risk of infringement of IP of third parties including suppliers, partners and alliance organizations by TCS may lead to potential liabilities, increased litigation and impact reputation. • Inadequate protection of TCS' IP may lead to potential loss of ownership rights, revenue and value.	• Establishment of an industry leading IP management framework (IP 4.0) with institutionalized frameworks, processes and procedures that address the risk of infringement of third-party IP while ensuring safeguarding of TCS' own IP assets. • Establishment of a centralized IP and Software Product Engineering group that strives to build an IP-led culture and IP related awareness effectively. • Well-defined (software) asset lifecycle governance framework that incorporates policy guidance and risk mitigation guidelines on IP, legal, software product engineering and business-related risks. • IP governance program that ensures that there is right access and right use of TCS IP, customer IP, partner IP, and third-party IP in service and partner engagements.	Negative

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
		• Other key controls include employee confidentiality agreement, training and awareness for IP protection and prevention of IP contamination and infringement. Digitized system to enable strict controls around movement of people and information across TCS' product teams and customer account teams.	
Litigation risks (R)	• Litigation risks might arise from commercial disputes, perceived violation of intellectual property rights/trade secret violations and employment related matters. • The company's rising profile and scale also makes it an attractive target to meritless lawsuits. • Besides the distraction and legal expense, litigations garner negative media attention and pose reputation risk. Adverse rulings can result in substantive damages.	• Strengthening internal processes and controls to adequately ensure compliance with contractual obligations, information security and compliance with IP policies and procedures for protection of intellectual property and avoidance of allegations of trade secret violations. • Improved governance and controls over immigration process /increasing localization and inclusion of arbitration provisions in employment contracts. • Training and sensitization of business managers to spot the risks, adhere to best practices and escalate potential disputes within the organization for early mitigation steps. • Team of in-house counsels in all major geographies and a network of reputed global law firms in countries it operates in. • Robust mechanism to track and respond to notices as well as defend the company's position in all claims and litigation.	Negative
Sustainability Risks- Climate change and Environmental aspects (R & O)	• Extreme weather events due to climate change pose a threat to human safety and can cause business disruptions. • With globally distributed operations, the company faces physical risks to life and property due to extreme weather events, transition risks resulting from disruptions in the market and emerging regulations, disruptions to operations due to water scarcity, risks of inadvertent non-compliance to emerging regulatory requirements around circular economy, e-waste and solid waste regulations, impacting health and safety in local communities, business disruption and reputational damage. All of these could affect TCS' growth and profitability.	• An environmentally sustainable approach through green policies, processes, frameworks and infrastructure, on target to achieve net zero carbon emissions by 2030. • Delivery centers designed to withstand extreme weather events. Business continuity plans are tested periodically to ensure effectiveness. • Green buildings, efficient operations, green IT, greater use of renewable energy to reduce carbon footprint; adoption of newer technologies and methods to manage waste in line with circular economy principles. • Operational and engineering controls to minimize freshwater consumption, upgradation of water infrastructure and more water efficient systems. • Water management through sewage treatment, recycling of treated water and rainwater harvesting.	Negative

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
		• Supply chain sustainability through responsible sourcing, including leveraging sustainability ratings platform. • Year-round employee engagement on environmental awareness and sensitizing them towards nature and conservation of resources. • Initiatives like TCS Circle4Llife™ and Sustainathons to come up with technology-led innovations to safeguard TCS' environment.	
	Opportunity: • As enterprises look to reduce their own carbon footprint and cater to the growing demand more environmentally friendly products and services, it opens up new business opportunities for TCS to provide technology-led solutions to help them realize their green plans. • Proactive measures taken by TCS to reduce its environmental footprint strengthens the brand and makes it attractive to enterprises looking for an IT partner with a shared purpose. It also helps attract and retain younger, more purpose-driven employees.	• Dedicated business units for each of the large hyperscaler providers, helping clients migrate their workloads from owned data centers to the cloud, thereby reducing the carbon footprint associated with those workloads. • Steadily expanding suite of sustainability services including designing sustainability strategy, sustainability innovation, sustainable consumer analytics and sustainability dashboards. • Build and promote TCS products and solutions such as TCS Clever Energy™, Envirozone™, ESG integration solution, to help accelerate customers' sustainability journeys.	Positive
Challenges and Opportunities with Disruptive Technologies (R & O)	Disruptive cutting-edge technologies like quantum computing, generative AI and large language models and metaverse could impact TCS' business: • Quantum computing may increase exposure to cyberattacks because existing security infrastructure may prove inadequate. • Generative AI, large language models and metaverse could lead to legal liabilities through plagiarism, deep fakes and privacy and copyright infringement issues. • The efficacy of AI models depends on the quality of the data they are trained on. Unless specifically designed to prevent such outcomes, the models could be vitiated by all kinds of human biases contained in large data sets, and produce outcomes that cause reputational damage and legal liabilities. • Generative AI technologies could disrupt software development and testing activities, distorting customer expectations in the short term.	• Ensure controlled use of these technologies through pilots/research. • Restricted access to generative AI technologies like ChatGPT on company network until proven safe. • Work with government bodies, regulators and academia to build consensus about policies and guidelines for use of these technologies. • Embark on large-scale skilling of employees to prepare for deployment on market-oriented products and services based on these technologies. • Participate as a member of industry specific large language models consortia.	Negative

Key Risks (R) / Opportunity (O)	Impact on the Company	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
	Opportunity: • Generative AI technologies also have the potential to reimagine existing products and services and can also open up opportunities in form of new solutions using those technologies, and new services needing newer kinds of skills.	• Proactively invest in research around embedding generative AI capabilities into software development processes to boost productivity. • Develop niche skills to tap demand created for Post Quantum cryptography services as customers seek Quantum safe security algorithms. • Leverage opportunities to market TCS' own generative AI tools and services as overall attention and adoption of the technology increases.	Positive

Internal Financial Control Systems and their Adequacy

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

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

TCS management assessed the effectiveness of the company's internal control over financial reporting (as defined in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) as of March 31, 2023.

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

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

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

Based on its evaluation (as defined in section 177 of Companies Act 2013 and Regulation 18 of SEBI LODR), TCS' Audit Committee has concluded that, as of March 31, 2023, the company's internal financial controls were adequate and operating effectively.

Awards and **Accolades**

Financial Capital

- Ranked **#1** by **revenue** in the **UK** across the entire technology ecosystem for the **second year**, in the **2022 TechMarketView UK Software and IT Services Supplier Rankings.**
- Ranked **#2**, up one place over the prior year's position, in **CRN's 2022 Solution Provider 500** rankings of the top system integrators, service providers and IT consultants by revenue in North America.
- Won **3** awards at the **India Risk Management Awards (IRMA) 2022** by ICICI Lombard and CNBC-TV18: **'Masters of Risk in IT-ITes'** under the Large Cap category, **Masters of Risk in Regulatory Compliance** and **Masters of Risk in Cyber Security.**
- Recognized with a special award in the category `**Regional Asian Investor in Ireland',** at the **2022 Asia Matters Business Awards.**

Intellectual Capital

- Awarded the **Asia IP Elite Award 2022** for being an **Exemplar of IP Value.**
- Named the **Top Indian Company for Creating Brand in India and Abroad** and awarded the **World Intellectual Property Organization's (WIPO's) Users Trophy** at the **National Intellectual Property Awards 2021 & 2022.**
- Won **ASSOCHAM IP Excellence Award** for **Best Intellectual Property (IP) Portfolio** in the Large Enterprises category.
- Won the **CXO Tech Innovation Award** for digital innovation in smart collaboration at the **CXO Tech Awards 2022.**
- Recognized with **`The Innovative 100'** and **`Mission Critical Master'** awards by **CIO 100 India**.
- **TCS BaNCS™** ranked **# 1** in the **Investment and Fund Management** category for the third consecutive year, and **#2** in the **InsurTech** category in the **IBS Intelligence Sales League Tables** for 2022.
- **TCS Quartz™ for Markets** recognized as **Best New Post Trade Solution of the Year** by **Financial Technologies Forum**.
- **TCS Quartz** recognized as an **Industry Special Leader** and ranked **#1 Fraud Management solution** in the **IBS Intelligence Sales League Tables** for 2022.
- **TCS Quartz** won **Outstanding Innovation of the Year** at the **Industry Excellence Awards** by the **Asset Servicing Times**.
- **TCS OmniStore™** won the **Omnichannel Technology of the Year** award from **Retail Systems** for delivering a seamless customer experience.
- **TCS OmniStore** and **TCS Optumera™** won **2 Stevies at the International Business Awards 2022** in the **AI/ML solution** category.
- The **TCS Smart Store solution** won the **Best Customer Solution** award at the **IoT Solution Awards 2022** during the **IoT Solutions World Congress**.
- **TCS Marketing Data Hub** won the **Economic Times DATA CON Awards 2022** for **Automated Data Management.**
- **CS Design Toolkit** was awarded a **Bronze** award at the **Stevie Awards Asia Pacific 2022** for **Innovative Achievement in Customer Satisfaction**.
- TCS ADD™ Connected Clinical Trials platform won the **India Pharma Award 2022** in the category, Excellence in Ancillary Pharma Services.

- Won an award for **Revenue Generation (Customer Experience)** at the Mint TechCircle Business Transformation Awards 2022.

- Awarded **SAP Customer Award** for "Best supplier collaboration story" for **TCS Procurement 4.0.**

- Won the **Customer Innovation Award** from **Commvault** in the Governance and compliance category for **Digital Compliance solution.**

- Won a **Gold** at the **Indian Smart Grid Forum Innovation Awards 2023** in the category **'Smart Technology - Electricity Transmission'** for AI-Powered Control and Management of Power Networks.

- Awarded **2 Golds** at the 12th Competition on Software Verification (SV-COMP 2023) in the Reach Safety and Termination categories for TCS Research's tools **VeriAbs** and **FuzzNT** respectively.

- Won the **`Special Purpose Vehicle Design'** Award at the **12th CII Design Excellence Awards 2022** for **PalPicker**, a fork-over autonomous mobile robot by TCS.

- Won **5** Stevies**®** in different categories at the **2023 Stevie® Awards for Sales & Customer Service**, for solutions targeting the BFSI vertical.

- Won **2** awards at **2022 Brandon Hall Group Excellence in Technology Awards**: 1 Gold for **Best Advance in Business Strategy and Technology Innovation** and 1 Silver for **Best Advance in Learning Management Technology.**

- TCS products and solutions won 2 Gold, 3 Silver and 1 Bronze Stevies at the **Stevie International Business Awards® 2022:** 1 Gold in the Project Management Solution category for **TCS Allocation Reimagination**, 1 Gold in the Software Defined Infrastructure category for **TCS Infrastructure as Code**; 2 Silvers in the Artificial Intelligence/ Machine Learning Solution category for **TCS Optumera™ and TCS OmniStore™**; 1 Silver Stevie in the Event Management Solution category for **TCS Prime Events** and 1 Bronze in the Collaboration/Social Networking Solution category for **TCS Enterprise Social Collaboration.**

Human Capital

- Named in the Forbes annual list of **America's Best Large Employers**, based on an independent survey of 45,000 employees working for American companies with more than 1,000 employees.

- Certified as a **Global Top Employer 2023** by the Top Employers Institute:

    - Recognized as a **Top Employer in Europe** for the eleventh consecutive year, and the **Number One Top Employer** in **Belgium, Denmark**, and **The Netherlands**.

    - Recognized as a **Top Employer** in the **UAE, Kingdom of Saudi Arabia**, and **South Africa** for the eighth successive year.

- Featured in **2023 Bloomberg Gender-Equality Index**.

- Won the **Best of Best award** from **Association for Talent Development (ATD)** for the fifth time in a row.

- Won **4 Golds** and **1 Silver** at the **ET HR Future Skills** awards for best learning teams.

- Recognized among the **Most Preferred Workplaces 2022** by Team Marksmen in collaboration with India Today Television.

- Won **6 Gold** and **2 Silver** awards at the **14th Annual 2022 Golden Bridge (Globee) Business and Innovation Awards** in the following HR categories: Achievement of the Year in Learning and Development, Best Use of Reward and Recognition, Most Effective Use of HR Technology, Most Effective Use of Internal Communications, Human Resources Outstanding Performance of the Year and Human Resources Project or Initiative of the Year.

- Won **32 Brandon Hall awards** (21 Golds, 7 Silvers and 4 Bronzes) and **13 Stevie awards** (5 Golds, 5 Silvers and 3 Bronzes) across various functions in HR.

- Won the **Indian Achievers' Award 2022** for **Excellence in Industry Academia Collaboration** from **Indian Achievers Forum** for the second year in a row.

Social Capital

CUSTOMER

- Ranked the **#1 IT service provider** for **customer satisfaction** in Europe in an independent survey of over 1,800 CXOs of the continent's top IT spenders by **Whitelane Research**. This is the **tenth consecutive year** that TCS has topped this survey. TCS was also ranked **#1** in **France**, **Germany** and the **Nordics** in the country-specific rankings published in Q4.

- Ranked **#1 in customer satisfaction** in the **UK**, for the **seventh year by Whitelane Research**, with an overall customer satisfaction score of 82%.

- Won the **Supplier of the Year** award in the Large Category (by spend) at the **2022 Microsoft Supplier Prestige Awards**.

- Won the **2022 Best IT Supplier** Award from **Infineon Technologies AG**.

- TCS and Virgin Media O2 won the **GSA Professional Award 2022** in the category of **Customer Experience Team of the Year** for the technology transformation resulting in a cloud-native, resilient, future-ready IT infrastructure.

INDUSTRY ANALYST

- TCS was ranked a Leader in **126** competitive assessments published by leading research firms **in FY 2023** (92 in FY 2022). In **15** of these, TCS was positioned the **foremost leader** or ranked **#1**.
- Won the **2021 Best Practices Company of the Year Award** for its visionary innovation, market-leading performance, and unmatched customer impact in the GCC's Business Process Outsourcing Industry by **Frost and Sullivan**.

INVESTOR

- Recognized in FinanceAsia's Best Managed Companies 2022 list as the **Best Managed Company** and **Most Effective in creating and implementing D&I Policies over the past 12 months**, in India, based on a poll of investors and analysts across Asia.

PARTNER

- Won three **2022 Microsoft Partner of the Year awards** in the categories: **SAP on Azure, Retail & Consumer Goods, and Global SI & Advisory Digital Transformation.**
- Named to the **Microsoft Business Applications 2022/2023 Inner Circle**, for the third consecutive year. This is based on TCS' sales achievements that place it in the top echelons of Microsoft Business Applications' global network of partners.
- Recognized as the **Microsoft Customer Success Partner of the Year** for its commitment and dedication to building strong customer relationships and helping clients achieve their businesses success.
- Won two **Google Cloud Partner of the Year 2021** awards in the categories: **Industry Solution Partner of the Year for Retail** and **Global Diversity & Inclusion Partner of the Year**.
- Recognized as **Enterprise Partner of the Year** at the **India 2022 AWS Partners of the Year** awards; as the **Security Partner of the Year** (APJ) and **Migration Partner of the Year** (APJ) at the **2022 Regional and Global AWS Partners of the Year Awards.**
- Won **ANZ 2022 AWS Partners of the Year** award in the category **Global Systems Integrator**; and **GSI Partner of the Year** award at the **AWS Summit**, Bogota, Colombia.
- TCS Interactive won the **Digital Experience (DX) Partner of the Year 2022** award from **Adobe**.
- Recognized as **Global Partner of the Year 2022** by **Beyond Trust**.
- Won **Pega's Industry Excellence Award for Financial Services** at the **PegaWorldiNspire 2022**.
- Awarded **Partner of the Year 2022** by **Creatio** for outstanding commitment to partnership and implementation of solutions.
- Won the **SAP System Integrator BeLux 2022** award at the **SAP BeLux Partner Awards** for its strong partnership with SAP and its ongoing commitment to digital transformation and optimizing business processes.
- Won the **Consulting Partner** award in **Manufacturing and Energy** at the **Salesforce 2022 Partner Innovation Awards.**
- Named **Intel Global System Integrator Partner of the year 2022**.
- Won **Qlik Global Transformation Awards 2022** for Partners Leveraging Active Intelligence for Transformation and Impact.
- Won the **Qlik Partner Excellence Award FY 21-22** in the category **`Most Deal Influencer SI Partner'**.
- Won **3** partner awards from **Software AG: EMEA IOT Partner, EMEA hybrid Integration Partner** and **Global Hybrid Integration Partner**.
- Won the **'Transformation Partner of the Year Award'** at the **Hitachi Vantara GSI Summit 20**22 in Lisbon, Portugal.
- Won the **SUSE India Innovation Hero Award 2022** in the `**Kubernetes Innovators**' category.
- Won the **'Emerging Partner of the Year 2022**' award from **Nexthink.**
- Recognized as **BMC's Partner of the Year 2022** in the category `Digital Business Automation'.
- Won the **2022 Growth Global System Integrator Partner of the Year** award from **Nutanix.**
- Won the **APJ Top Alliance Growth Partner of the Year** Award at **Microfocus Partner Leadership Summit 2022.**
- Won **2** awards at **Yellow.ai's** first-ever Virtual Partner Success Kickoff: **Industry Partner of the Year – North America** and **Digital Transformation Award** for TCS BaNCS.
- Awarded by **Siemens** for the **Highest Enterprise Sales Achievement for the Year 2022**.
- Recognized by **Informatica** as the **Growth Global System Integrator Partner of the Year 2022**.
- Won **2** partner awards from **Quadient** at Inspire Days 2023: **Services Partner of the Year – Americas** and Breakthrough Partner of the Year – EMEA.
- Named by **Saviynt** as the **'Delivery Partner of the Year'** for APAC region.

COMMUNITY

- Named as one of the **top 50 community-minded companies** in the **United States**; recognized as the **Information Technology Sector Lead** for the fourth year and honored with the **Strategic Volunteer Award** for aligning employee volunteer time and talent with its strategic CSR programs.

- Won the **Gold** award in the WASH Initiative category at the **6th CSR Health Impact Awards** for **TCS' IoTbased smart water management solution** in support of the Government of India's Jal Jeevan Mission.

- Ranked the **2nd Largest CSR Spender** according to the **2022 Burgundy Private Hurun India 500** list.

- Awarded **Gold** at **The Economic Times Human Capital Awards 2022** in the Excellence in Social Initiative category for the **Sadhana SamarpaN** initiative under **TCS Purpose4Life**.

BRAND

- Named in the **Fortune®** magazine's 2023 list of the **World's Most Admired Companies**.

- Ranked the **second most valuable IT services brand globally** by **Brand Finance.**

- Only brand from India in the **Top 50** in the **2022 Kantar BrandZ Top 100 Most Valuable Global Brands**; also ranked among the **Top 10 fastest growing brands** globally.

- TCS brand **ranked #4** overall and **#1** among all technology firms in the **2022 FutureBrand Index** for innovation, good customer service, contented workforce and strong management.

- Ranked as the **most valuable Indian brand** by **Kantar BrandZ India**; TCS' brand value rose 212% from 2020 to 2022.

- Ranked as the **second most valuable Indian company** by the **2022 Hurun Global 500** report.

- Won a **Gold** at the **ITSMA 2022 Marketing Excellence Award**s in the category `**Collaborating with Sales**' for Digital Store.

- Won a **Drum Award for B2B 2022** in the category '**Most Effective Digital Transformation Initiative**'.

Natural Capital

- Won first place at the **Celonis Ecosystem Hackathon for Smart Metering for Utilities** to **Reduce CO2 Emissions** under the **Use Case Ideation** category.

- TCS' Digital Farming Initiatives won the **NASSCOM Enterprise Cloud Awards '22** in the category `**Excellence in Leveraging Cloud for Sustainability**'.

- TCS' **Food Digital Twin** won the **2022 Vivekananda Sustainability Award** for **'Innovative Use of Technology for Environmental Improvement'.**

- Won an award for '**Natural Resources Conservation**' at the **Dun & Bradstreet ESG Awards 2023**.

Corporate Social **Responsibility**

Overview

In keeping with the Tata Group's purpose-driven worldview, TCS' vision is to empower people and communities to build self-reliance through technology while promoting the values of fairness, equity and respect for human rights. Its mission is to connect people to opportunities in the digital economy while building equitable, inclusive pathways for all – especially women, youth, and marginalized groups.

TCS invests in addressing the most pressing needs of the community through various CSR initiatives and programs focused on education, skilling, employment, and entrepreneurship, aligned with the UN Sustainable Development Goals (UN SDGs). With a focus on bridging gaps in access to opportunities, TCS also invests in social innovation and community projects targeted the poorest sections of society, and supports programs addressing basic health and wellness, water sanitation and hygiene, conservation, and disaster relief efforts across the globe.

TCS leverages its intellectual capability, technological expertise, financial capacity and the skills of its employees to support wide-reaching, high-impact programs for social impact. These comprehensive programs are designed to be holistic and adaptable for community empowerment and lasting societal development.

Over **150,000** TCSers served their local communities by volunteering **2.8 million** hours in FY 2023, impacting the lives of over **1.25 million** people.

Overall, TCS empowered **4.5 million** people across the world during the year, creating equitable and inclusive pathways for **1.1 million** women, **581,000** youth and **1.3 million** marginalized people through its strategic CSR programs.

Key highlights:

- Closed the literacy gap for 1.13 million Indians, including a pioneering public-private partnership reaching all 52 districts of Madhya Pradesh with the State Literacy Mission Authority.
- GoIT continues to empower the next generation of innovators in school; 41,971 students across 28 countries are now digital innovators, solving real-world problems.
- Ignite my Future helped 293,697 students across India, US, Canada and ANZ learn computational thinking.
- Nearly half the goIT and IMF beneficiaries are girls and over 70% from minorities and underserved groups.
- Youth Employment Program (YEP) empowered 10,869 rural youth, creating new pathways to 21st century jobs, and now reaches students across every state and union territory in India.
- BridgeIT program is helping marginalized youth turn into digital entrepreneurs and earn well, providing essential last-mile services for 1,736 villages in rural India.
- Supported NGOs across the world through pro-bono projects. Also supported institutions such as, Tata Memorial Center and Cancer Institute in India.
- Engaged 433 customers through the Business with Purpose program, creating 186 purpose partnerships to jointly serve communities in need around the world.
- Engaged 2,368 cross-sector leaders through 13 Digital Empowers thought leadership forums, using their collective wisdom to help advance advocacy and policy efforts globally.
- Supported 77,303 refugees and families and contributed €1.28 million through humanitarian response to the Ukraine war.

Literacy as a Service

Adult non-literacy continues to be a problem holding back India from reaching its full economic potential. Women account for 65% of the illiterate population, and the rest is from marginalized communities. To address the causes of non-literacy, TCS devised the Literacy as a Service Program (LaaS) which augments the Government of India's efforts to improve literacy. LaaS provides an innovative teaching method by combining the power of IT with the theory of cognition and laws of perception. LaaS adopts creative means of delivery to enable functional literacy, such as animated graphic patterns for easy visual and auditory learning.

Modules on the platform include functional literacy (8-10 hours), digital literacy (5-7 hours), and awareness on key citizen entitlements (3-4 hours), available in 12 languages – nine Indian, and three foreign.

Thus far, LaaS has successfully paved the way to self-reliance for over 1.13 million learners (~60% women) and more than 200,000 Preraks through literacy.

In August 2022, TCS launched the 'Each one Empowers one' portal which allows employees of TCS and Tata Group, along with their families, to empower non-literates in their local community, such as security guards, domestic workers and gardeners.

The program has generated transforming impact by promoting social inclusion, financial stability and economic growth. It has also propelled neo-literates to receive better access to government benefit programs, financial systems and empowered them to have a more significant say in family and community decision-making.

LaaS Case Study

Pyari Ben resides in the Bijori hamlet of Puwasa village, in Madhya Pradesh's Alirajpur district, one of the least literate and poorest districts in the country. Due to limited local employment prospects, villagers from Alirajpur travel for work to nearby Gujarat cities; Pyari is not an exception in this regard. She never had the opportunity to attend school, so she never achieved literacy. This became difficult because she couldn't keep track of her hard-earned daily income as a construction worker.

She gained basic literacy skills after joining the Literacy as a Service (LaaS) program, which made her realize that her contractor used to defraud her by not paying her the proper wages. LaaS gave her the awareness she needed to fight for her rights and ultimately get her dues. She can now calculate her working hours and daily pay, create a budget, and save money.

She created a bank account and enrolled in Ayushman Bharat, a health insurance scheme, to obtain medical benefits for herself and her family. As a migrant who travels from her village to distant work locations, she can now read and recognize train numbers to board the correct train. Pyari inspired other women in the village and encouraged them to participate in this program.

Ignite My Future (IMF)

Ignite My Future is a teacher professional development program which introduces the concept of computational thinking into all core subjects. This is a transdisciplinary education program that transforms the way students learn.

IMF has generated a great impact through professional development offerings, special projects as well as volunteer and customer engagements with the partnered schools. IMF's Learning Leaders community supports the growing global community of partnered educators, committed to learnings about the power of computational thinking. This year, IMF India launched Learning Leaders' regional chapters, catering to regional learning requirements of the teachers from the partner districts across India.

One of the IMF's pioneering STEM initiative interventions, Global Innovations Project (GIP) aims to connect students and teachers from around the world as they explore and solve real-world problems using computational thinking.

This year, IMF India has launched its Season 1 of GIP, where students were asked to explore accessible and adaptive tools, identify and problem-solve community level issues that are limiting the accessibility and inclusivity of all the learners. Teachers and students from schools like School of Scholars (Maharashtra), BGS Schools (Karnataka), Podar International School (Maharashtra), Rajya Ashram Paddhati Vidyalaya (Samaj Kalyan Department, Uttar Pradesh), APSWREIS (Andhra Pradesh) in India have collaborated with schools from North America in this experiential journey.

Overall, the participants from India worked on 109 innovation projects, clocking over 560 collaborative learning hours and 268 videos over Microsoft Flip tool. Teachers were very appreciative of the opportunity to learn and collaborate with educators around the world.

In FY 2023, IMF benefited more than 293,000 students and educators across North America, India, UK and Ireland, APAC and ANZ.

IMF Case Study

This year, Ignite My Future made its impact through professional development, volunteer and customer engagement and special projects. One such collaboration was with the Meghe Group of Schools to encourage students for an interest in STEM and computational thinking.

"The purpose of education is best served when students are doing something that would not only improve their competencies but also create positive social impact. Global innovation project is one such opportunity I believe, because students are not only reflecting upon what they have learnt but are also getting step closer towards sustainable development goals. I am glad and proud of all the efforts that students and teachers have put in, also that they have consciously chosen to be a part of this project in identifying how can they improve accessibility not only around them but also pick up global perspectives around it. I am sure that the seeds of efforts that we are putting in most our students today, will give us citizens of tomorrow who would have SDGs as inherent part of their lives. Thankyou TCS!" - **Director, Meghe Group of Schools**

goIT

TCS' flagship program goIT (go Innovate Together) is a Digital Innovation program which prepares students with culturally relevant and context-appropriate learning experiences, coupled with modern technologies.

Across the world, the gap between employers' needs and available skills is growing. The National Science Foundation predicts that 80% of the jobs that will be created in the next decade will require a form of mathematics and science skilling. Insufficient numbers of students pursuing these streams, and lack of focus on innovation, problem-solving and creativity in school curricula, are the big challenges in fulfilling those future jobs.

goIT prepares students with engaging design workshops and custom mentorship to pursue the careers of tomorrow of which involve STEM and computer sciences. It uses a four-pronged model of (1) volunteer-driven engagements, in-person or virtually, (2) seamless year-round connects via goIT Online, (3) SDG-focused monthly challenges and (4) Work experience designed to introduce students to local experts and opportunities. Each prong is layered with school district partnerships and mentoring by industry professionals from TCS which helps students develop core skills and makes goIT a unique program.

After over a decade of success and a footprint across 42 countries, goIT has benefited over 144,000 students who have designed more than 29,000 tech-for-good digital innovation prototypes.

Over **41,000** students and educators have benefited from this program in FY 2023 globally.

goIT Case Study

Speaking about her experience at the first inaugural TCS goIT program in Saudi Arabia, Leah, a Grade 7 student, said, "*I am super happy to have had the opportunity to get involved in the design thinking program. The mobile app training is cool, and I am proud of my project on improving world health by using technology*."

The event was celebrated with more than 100 learners from the Al Sahafa International School, Riyadh. Under the theme of UN SDG, students ideated solutions for good health and wellbeing, affordable and clean energy, and zero hunger.

Grade 7 students prototyped a mobile solution called 'Team Earth' which displays the location of the nearest renewable energy outlets and finds an environmental, social, and governance volunteer. Meanwhile, Grade 5 students pitched a technology solution to solve world hunger by creating an app called 'Free Supermarket' which would help people make and receive donations.

Excited to see the STEM exposure students received through the TCS goIT program, the Academic Coordinator of Al Sahafa International School, Ola Mourad said, "*Programs like this are extremely important in showing students how they can succeed in a range of fields, with a good grounding in IT*."

BridgeIT

BridgeIT is a unique initiative created to bridge the digital divide that places socially and economically underprivileged communities at a disadvantage. The program creates digital entrepreneurs who use IT to help local citizens avail essential digital services in education, adult literacy, unemployment and social discrimination. It attempts to address prevailing social inequities in India by proactively reaching out to women, Scheduled Caste and Scheduled Tribes (SC/ST) communities.

Launched in 2014, BridgeIT has a footprint across 30 districts in 10 states. The program offers budding entrepreneurs the skills, mentoring, technology, tools and resources required to set up a Digital Service Centre from where they can provide services such as generating and updating documents (such as Aadhar cards, Pan cards, and voters ID), enrolling for different government schemes, filling in online forms and cash withdrawals/deposits from the bank to fellow villagers.

In FY 2023, the program had 347 active digital entrepreneurs providing several of these services in 1,735 villages. 146 of these entrepreneurs were women.

BridgeIT Case Study

Priyanka Kumari, a native of Dihi village, Latehar District, Jharkhand, had never dreamt that one day she would be an entrepreneur and earn an income of more than ₹40,000/-per month. Priyanka always had a desire to have her own identity. When she got married, she was still doing her graduation. She continued her studies after marriage and completed her graduation in 2016. In 2020, when she heard of BridgeIT she grabbed the opportunity to be part of the program.

Gradually, she became a successful digital entrepreneur and is now providing several services such as photocopying, printing, taking and printing passport size photos, paying land taxes, booking railway tickets, Aadhaar, PAN Card and Ration card services, etc. Today, Priyanka not only runs a shop near her residence, she also has taken up the responsibility of another shop at the Panchayat Bhawan of her village, employing two other people from the village.

BridgeIT has inspired her to dream big and is successfully supporting Priyanka in achieving her plans for future. She says, "*My dream is to expand my business further and I want to keep the latest models of mobile phones and other accessories for sale in my shop. Moreover, I also want to open a tent house employing more needy people in the business. Besides, I am planning to buy a new scooty*."

Youth Employment Program (YEP)

YEP tackles one of the biggest challenges in India – unemployment among youth, especially those from marginalized sections of society, due to lack of 21st century skills. YEP provides employability training, imparting skills such as business communication, aptitude, computer programming and domain skills with the help of subject matter experts, domain leaders, and certified trainers from TCS.

The program offers participants a smooth transition from college to careers, building their confidence and enhancing their social and economic status through its unique teach, coach, mentor, and place model. It helps them navigate opportunities available in the Indian job market with career guidance and mentoring, training on interview skills and access to market-facing certifications and hands-on real-time project experience.

Since its inception, the program has:

- Improved the economic and social status of the beneficiaries and their families.
- Encouraged diversity and gender parity within the workforce while creating inclusion and access for marginalized groups across the country.
- Increased the credibility and visibility of the training partner institutions involved with YEP.
- Enabled access for corporates to season-agnostic, industry-ready talent.
- Created specific career paths for students in hospitality, banking, retail and IT (which include cyber security, networking, IT automation, Data Analytics, UX, SFDC to name a few, etc.).

In FY 2023, more than **31,000** students were trained across India, of which 57% were women and 17% from the groups qualifying for affirmative action programs. Over **10,000** students have gained employment in the IT/ITES, banking, retail fields.

YEP Case Study

Preeti Diwakar was born and brought up at Panipat in Haryana, and later her family shifted to Kaushambi in Uttar Pradesh. Her father worked as a helper at local grocery shops while her mother supported with household chores in neighborhood. Their meagre income barely put food on the table for the family of five.

Preeti had to fight hard in her pursuit of education. She funded her own education by taking up tuitions and borrowing course books from senior students in school. While pursuing BCom at University of Allahabad, she discovered a strong desire to learn about the intricacies of stock market, and later taught her classmates. But she had neither the funds to invest nor the confidence to speak about it. She also lacked clarity on career goals or available job prospects.

TCS Youth Employability Program brought a ray of sunshine to her gloomy worldview. During the Covid years, Preeti not only learned math and reasoning skills, she also worked on her overall personality. She learnt from her trainer, the importance of public speaking, projecting confidence in online interviews, and active listening. In the TCS NQT exam later that year, she scored 77.39% and got placed in December '21.

She launched a website and her first YouTube channel "Commerce Stocking" about stock market investment tips. In December'22, she quit her job and became an entrepreneur, launching her dream website for educating people on the financial sector. In her own words, it was TCS' YEP which enabled her to find her own voice and she has been following it all along since then.

Social Innovation

Digital Impact Square (DISQ) is a social innovation platform established in 2015 in Nashik, Maharashtra. The platform encourages innovation among young employees who harness the power of digital technology and engage with the digital ecosystem, to develop solutions for a lasting change in society.

Since its founding, DISQ has worked with 7 cohorts with more than 600 innovators, 35% of who are female. These innovators hail from 22 states and from over 180 colleges across India.

In FY 2023, DISQ encouraged innovation using digital technologies to address the social challenges drawn from the voice of citizens, domain experts, local administration, and the government and has nurtured over 65 changemakers. These are purpose-led innovations in agri-tech, assistive-tech, health and wellness tech and sustainability tech across india.

DISQ offers innovators extensive mentoring, access to ecosystems specific to their challenges, and a seed fund for investment in creating their innovation and start-up, along with physical infrastructure that fosters out-of-the-box thinking and a supportive ecosystem with domain partners for validation.

Modeled around DISQ, Petronas and TCS in Malaysia, recently launched SEEd.Lab- a one-of-its-kind social enterprise innovation hub which targets youth unemployment. It promotes self-sustaining enterprises that forge solutions to the challenges faced in their communities by leveraging technology and innovation.

DISQ Case Study

Vesatogo Innovations is a Nashik-based agritech startup conceptualized in 2019 by DISQ Changemakers who were passionate about reimagining the agrarian landscape.

Their solution, conceptualized and designed at TCS' Digital Impact Square (DISQ), provides mobile and web-based seed to-plate supply chain management tools to reduce operating costs for farmer producer organizations and agribusinesses, and enable small farmers to have better market linkages.

It was awarded the National Startup Award 2021 in the Rural Impact category and was amongst the selected 175 startups across country to interact with the Honourable Prime Minister Narendra Modi.

Other accolades include the Emerging Social Enterprise 2021 award from TiE Hyderabad, winner of TATA Motor's TACNet Initiative and Best Indian Social Enterprise Award by Action for India 2019.

Health and Wellness

Holistic well-being programs offered within TCS promote healthier lifestyles by offering work-life balance and by looking into emotional health. When people are in a state of well-being at work, they are motivated to realize their potential, take on responsibility, build positive workplace relationships, manage their time better, make meaningful contributions, and be productive and creative.

TCS actively promotes healthy and active lifestyles with employee engagement programs like Fit4Life, Purpose4Life and SafetyFirst which help create awareness about health and fitness and enables its employees to engage with the community for a positive impact.

TCS has provided an integrated Hospital Management System and IT infrastructure, which includes a comprehensive and fully integrated web-based solution to The Cancer Institute, Chennai. TCS has also provided support to integrate the Health Insurance Scheme with the National Medical Commission (NMC) dashboard to facilitate daily syncing of patient data and statistics to aid monitoring and auditing. It has also been building new features including compliance with statutory requirements.

TCS continued its support of the Hospital Management System (HMS) at Tata Medical Center (TMC), Kolkata. TMC Kolkata was recently accredited with National Accreditation Board for Hospitals and Healthcare Providers (NABH), which assures quality service to patients. TCS plays a crucial role in by providing IT solutions for various non-conformities raised by NABH Assessors. It works closely with the Bone Marrow Transplant department to provide IT related support for its FACT accreditation and has provided IT support to TMC for their Pharmacy migration to 'TATA 1mg.'

TCS' transformations at Tata Medical Center, Kolkata and Cancer Institute, Chennai facilitated more than 117,600 new patient consultations in FY 2023.

TCS partnered with TMC, Kolkata to successfully establish Tata Translational Cancer Research Centre (TTCRC). The partnership was established to create an interactive environment for clinicians, scientists, and industry to collaborate and translate data driven and discovery-based science for improvements in patient care. It focuses on personalizing therapies, decreasing the cost of treatment, and developing innovative care delivery models for cancer patients in India.

TCS contributes to initiatives at TTCRC through multi-omics and bioinformatics analysis, scientific data management, management of multi-centric clinical studies – such as the large one on Acute Lymphoblastic Leukemia (ALL), clinical decisions automation and the development of innovative digital solutions.

HOPE - Hours of Purpose by Employees

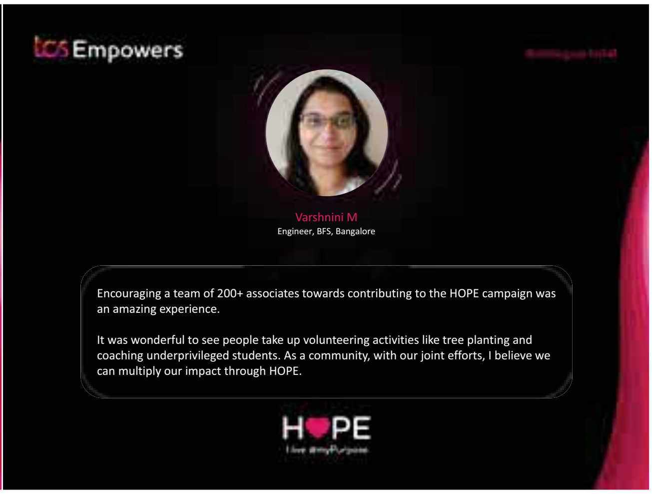
TCS' growing, highly skilled and diverse workforce serves as champions to build organic connects with the community while accelerating social impact. Opportunities for employees to volunteer time include skills-based volunteering, pro bono support to community-based organization and social cause leadership. TCS community investments have been actualized, in a large part, by its large employee base who generously volunteer their time, skills and expertise as last-mile connectors.

In FY 2023, TCS launched the civic movement #millionhoursofpurpose, a collaborative effort by TCSers to volunteer a million hours of purpose in a quarter which celebrates a positive impact for the people, by the people.

The initiative encourages employees to support in different causes, be it an employee's own initiative, a TCS community program, a TATA engagement or one with its customers. Through this, TCSers have created positive impact in myriad ways, addressing the 17 UN SDGs, ranging from planting saplings and trees, making and distributing newspaper bags, raising mental health awareness and educating children in schools, to name a few. TCSers also contribute to the Tata group's volunteering initiatives twice a year, such as Tata Volunteering Week and Pro-Engage (long-term pro bono volunteering).

All the volunteering initiatives are monitored and driven by 'Purpose Councils' which consists of leaders from regions and business units. Omnichannel campaigns have also been launched at unit, branch and account level business groups to raise awareness, drive efforts, generate feedback and collect ideas. This has been supported by corporate-led communication and marketing events which have helped realize the initiative, project themes and recognize star volunteers, events, volunteer stories and journeys. TCSers far exceeded the pledge of a #millionhoursofpurpose, by volunteering over 2 million hours in Q4.

HOPE Case Study



Volunteering for Youth Employment Program (YEP)

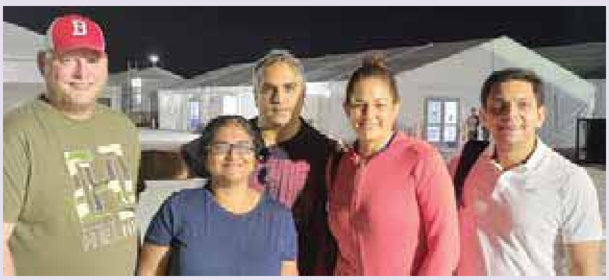
Rahul Pathak's journey of volunteering started six years back, with him travelling to Osmanabad around 280 kms from Pune over weekends to teach the students of Terna College of Engineering.

Rahul did face challenges initially teaching in virtual mode, but he overcame it by using effective online teaching skills like polling, breakout rooms etc. He felt because of the virtual mode now he can contribute to engineering colleges outside Maharashtra. In his sessions, Rahul always gives practical examples which the students can relate to, and understand better. He also helps these youth in developing confidence so that they can succeed in all aspects of their lives.

Rahul quotes "*I felt quite proud as a teacher when my students secured their dream jobs. My life suddenly seemed to have a meaning and purpose. Giving is the greatest feeling in the world, and seeing my students achieve their goals and flourish in their jobs brings me enormous joy. Continue to contribute to this worthy cause; these youngsters desperately need mentoring from TCS YEP Faculties.*"

TCS Volunteers Deploy with Red Cross, NA

In Oct'22, five TCSers deployed to Florida with the Red Cross to volunteer in areas impacted by Hurricane Ian, the deadliest hurricane to have hit Florida in decades. Their reasons were different and reflected their life experiences. Some signed on to a 9-day deployment to give back to the community the help they had received during a natural disaster. Others had served previously with the military or a service organization and wanted to use that experience to help.



During their deployment, Aria Rahimi, Lewis Hunt, Charu Mehndiratta, Patty Sanchez, and Niki Shah packed food supplies and distributed them to affected communities on Pine Island and other areas in Lee County. They assisted in identifying and addressing local needs with respect to shelter, food, health and spiritual services.

Business with Purpose

Business with Purpose is a distinctive framework that enables 'Purpose Partnerships' with like-minded organizations to advance access, equity and inclusion around the world. The function serves as an accelerator for social good and as a catalyst between purpose-driven organizations. Several studies and surveys have revealed that consumers are loyal towards organizations that are "purpose driven" and have an objective of "giving back to the community."

Business with Purpose provides opportunities for business leaders from customers' organizations to meet their commitment to the society. This is enabled with strategic and established programs like goIT, Ignite My Future in School, Youth Employment which addresses pressing issues in countries where TCS and its customers live and work.

Over 185 customer leaders which include 45 senior executives participated in various CSR initiatives globally in FY 2023.

Community Innovation Program

This initiative provides advisory and technology consulting services on pro bono basis, to build capacity and capability for organizations and non-profits that seek to create social and environmental impact.

In this digital age, it is imperative for non-profit organizations to use technology to become sustainable and build trust with a multitude of stakeholders. TCS' leadership and employees provide pro bono technology services to such organizations to generate sustainable impact. TCS works closely with key stakeholders to understand their requirements and build the right software tools that help them establish a digital presence, raise funds more easily, build transparency in their operations and work more efficiently.

This helps those organizations extend their support to more local and global beneficiaries, demonstrating the force multiplier effect that technology can play. Millions of dollars of 'social value' have been generated by this program since its inception.

International Medical Corps (IMC) Case Study

A first responder, International Medical Corps (IMC) provides emergency relief to those struck by conflict, disaster, and disease.

IMC approached TCS seeking help in digitizing their vendor pre-qualification platform, a critical component of the procurement workflow. IMC does not procure supplies from a vendor who has not completed the qualification process or whose qualification has lapsed, which can lead to a shortage of critical supplies that IMC beneficiaries depend on.

The process was arduous and complicated with a high margin for potential error. After in-depth research seeking to gain a comprehensive understanding of IMC's vendor pre-qualification system, TCS redesigned and enhanced the existing system by placing it in a digital platform that is more transparent and accessible for IMC's team. The system offers IMC a structured workflow for maintaining vendor information, tracking critical vendor qualification status, and ensuring the organization has on-demand and concurrent access to vital information throughout the vendor database.

Last year, the organization responded directly to the needs of more than 18 million people in 30 countries on five continents, including more than 1 million people in the United States.

"Being a first responder organization means our work is fast-paced and vital to vulnerable populations. Working with TCS enabled us to increase the efficiency of our vendor prequalification process, which is critical to our operations," said Salma Abdelfattah, Pharmaceutical Services Coordinator, International Medical Corps.

Digital Empowers

TCS's Digital Empowers is a thought leadership initiative that raises awareness on how digital tools and innovative technology catalyzes social impact. The program focuses on convening experts from technology, business, non-profit, public policy, and academia to ideate, collaborate, and create digitally driven solutions towards challenges of social impact. TCS has grown the Digital Empowers community by more than 500 individuals and the website provides up-to-date information for forums, events and insight reports.

For FY 2023, TCS Digital Empowers, North America partnered with Chief Executives for Corporate Purpose (CECP) and PYXERA Global to host an eight-part virtual forum series on food security, the future of work, mental health equity, the digital divide and disaster response. The final forum took place in February 2023, and the seven forums in 2022 culminated in an annual 2023 Summit.

The pilot of Digital Empowers Collaborative launched this year, facilitated a 20-person collaboration from across sectors to explore how digital can empower a more equitable and inclusive future of work. The group hosted four expert speakers and spent more than 150 professional hours to develop three partnership solution concepts to improve the future of work:

1) Digital Upskilling- A path to bring down the digital divide for rural residents over the age of 50 for better participation in the digital economy.

2) Generational Workforce Knowledge Retention- A digital wiki concept developed to support institutional knowledge retention and cross-pollination of senior knowledge to juniors enabling the retention of knowledge from a growing retiring population amidst the high turnover rate experienced by many organizations.

3) Equitable Foundation for the Workforce of Tomorrow – An employee resource group idea designed for a large-scale group with high accountability and impact to create a safer and more transparent workplace

Purpose Partnerships

TCS' CSR education programs focus on developing 21st century skills among the underrepresented and socio-economically weaker sections of society. The National Education Policy 2020 also recommends that skills like computational thinking, design thinking, problem-solving, and critical thinking should be included in the curriculum.

The company leverages its industry and social responsibility expertise to builds the capacity of educators and to nurture students from marginalized communities globally. This is achieved through partnerships with the right institutions for disseminating TCS' programs such as IMF and goIT which are in line with nationwide goals.

The partnership with Samagra Shiksha Abhiyan enabled state-wide deployment of these programs throughout India. For example, in Gujarat training of 75,000 middle school teachers from 14,486 schools is expected to benefit 1.8 million students in grades 6, 7 and 8 over a period of 3 years

Major partnerships in FY 2023 include:

- Partnership with the state government departments of social welfare for deployment in residential and day-boarding schools they run. For example, partnerships with UP Samaj Kalyan department (105 schools) and the Andhra Pradesh social welfare department (189 schools).

- Partnership with the education department to integrate 21st-century skills into textbooks and the curriculum.

- Partnering with ACM India to organizing challenges to generate interest and motivate students. For example, the Bebras India CT challenge which reached 65,000 students aged between 8-18, from 20 states in 8 different languages; and goIT monthly challenge for the global innovator.

- Membership of bodies such as the Computer Science Teachers Association.

- Partnership with Tata group companies such as Tata Steel Foundation which brought computational thinking to 5,000 students from schools in tribal areas.

- Partnership with Academia to design and develop a M.A in Education (Ed Tech) course for in-service teachers on Computational teaching from 2023-2024 at Tata Institute of Social Sciences (TISS).

- Partnership with Gujarat Knowledge Society to improve the knowledge and employability of young undergraduate/graduate students from over 450 government and government aided colleges.

- Partnership with department of higher and technical education, Puducherry, to deploy youth employment program in 11 government aided colleges to enhance the employability of graduate and undergraduate youth.

- Partnership for inclusion of dedicated career paths in IT – Full Stack Web Development, Cloud Computing, Artificial Intelligence, UX design, Project Management, IT Support, IT Automation, Digital Marketing, Data Analytics and domain – hospitality.

Disaster Relief Efforts

Ukraine War

TCS extended its support to the humanitarian tragedy that unfolded in Ukraine through financial contribution of €1 million to UNICEF, CARE, and the European Food Banks Federation (FEBA). A matched giving campaign for the company's employees and networks was launched to build on the initiatives of its employees across Europe. TCS employees in the region collectively donated €130,000 which was matched by TCS, totalling €260,000. This resulted in a final contribution of €1,260,000.

TCS participated in the 'Sunflower Project', an initiative from the 'Tent Partnership for Refugees'. It provided mentoring, training and upskilling to displaced Ukrainians to support their economic integration in the host countries. It also organized in-kind donations of more than 300 laptops to schools that support refugees in Europe.

TCS launched several mentorship programs in Europe to help refugees enter the labor market. This involves capacity building to strengthen the capabilities of NGOs through participation in TCS's Global Community Innovation program and exploration of the upskilling needs of refugees with TCS Education Business Units. TCS worked with another non-profit organization in Finland that trains refugees from Ukraine as part of a program.

Turkey / Syria Earthquake

The earthquake in Turkey and Syria caused massive destruction and loss of lives. TCSers were quick to respond and extended their support to the humanitarian tragedy. Employees volunteered with local NGOs and launched donation drives across TCS' offices in Europe to collect winter clothes, blankets, food, and hygiene supplies for the affected population.

The company partnered with non-profit partners like UNICEF, CARE and the European Food Banks Federation to address critical needs such as access to safe drinking water and sanitation services, benefiting over 20 million people. Furthermore, short-term relief support such as shelter, food and health and long-term resilience care (child protection, psycho-social protection and temporary learning spaces) were provided.

TCS also made a financial contribution to UNICEF's long-term humanitarian relief efforts in support and solidarity with the people of Turkey and Syria. Additionally, a matched giving campaign was launched for the global workforce across various platforms. Donations made by TCS employees, their families and networks were matched up to €200,000, for a combined contribution of up to €550,000, through this.

Assam Floods

During the Assam flood, TCS aided the relief activities through its branch in Kolkata. Flood responses were carried out in the severely affected areas of Cachar District, including the Kalain, Katigorah, Borkhola and Salchapra blocks.

Over 1,200 household beneficiaries were identified after a thorough door-to-door survey and approximately 850 shelter kits and 800 housing kits were distributed to them. The volunteering efforts included surveying each village to identify beneficiary households, identifying and finalizing potential distribution sites, and meeting stakeholders such as the District Disaster Management Authority, and local security forces to coordinate efforts. TCS also rendered additional support through volunteer mapping, coupon generation and distribution at the village level, as well as relief distribution.

Consolidated
Financial Statements

Independent Auditors' Report

The Board of Directors

Tata Consultancy Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of Tata Consultancy Services Limited and its subsidiaries (the Company), which comprise the Consolidated statements of financial position as of March 31, 2023 and 2022, and the related Consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the Consolidated financial statements.

In our opinion, the accompanying Consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and 2022, and its financial performance and its cash flows for the years 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated financial statements in accordance with IFRS as issued by the IASB, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise significant doubt about the Company's ability to continue as a going concern for one year after the date that the Consolidated financial statements are authorized for issuance.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted i n accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to

fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit i n 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise significant doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG Assurance and Consulting Services LLP

Gurugram, Haryana, India

April 12, 2023

Consolidated Statement of Financial Position

	Note	As at March 31, 2023	As at March 31, 2022
		(In million of USD)	
ASSETS			
Current assets			
Cash and cash equivalents	9(a)	866	1,650
Bank deposits		392	728
Investments	9(b)	4,487	3,998
Trade receivables			
Billed	9(c)	4,992	4,501
Unbilled		1,083	1,022
Other financial assets	9(d)	405	1,065
Income tax assets (net)		1	1
Other assets	11(d)	1,185	1,344
Total current assets		**13,411**	**14,309**
Non-current assets			
Bank deposits		162	163
Investments	9(b)	32	29
Trade receivables			
Billed	9(c)	18	19
Unbilled		24	7
Other financial assets	9(d)	120	176
Income tax assets (net)		314	262
Deferred tax assets (net)	15	399	486
Property, plant and equipment	11(a)	1,410	1,596
Right-of-use assets	10	919	1,009
Goodwill	11(b)	488	520
Other intangible assets	11(c)	105	145
Other assets	11(d)	326	251
Total non-current assets		**4,317**	**4,663**
TOTAL ASSETS		**17,728**	**18,972**
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Lease liabilities		181	192
Trade payables		1,278	1,063
Other financial liabilities	9(e)	1,103	1,015
Unearned and deferred revenue		467	480
Other liabilities	11(e)	595	1,108
Provisions	11(f)	42	186
Employee benefit obligations	16	495	503
Income tax liabilities (net)		1,136	1,046
Total current liabilities		**5,297**	**5,593**
Non-current liabilities			
Lease liabilities		754	841
Other financial liabilities	9(e)	44	76
Employee benefit obligations	16	66	89
Deferred tax liabilities (net)	15	96	78
Unearned and deferred revenue		122	147
Total non-current liabilities		**1,082**	**1,231**
TOTAL LIABILITIES		**6,379**	**6,824**
Equity			
Share capital	9(i)	68	68
Retained earnings		14,536	14,943
Other equity		(3,352)	(2,958)
Equity attributable to shareholders of the Company		**11,252**	**12,053**
Non-controlling interests		97	95
TOTAL EQUITY		**11,349**	**12,148**
TOTAL LIABILITIES AND EQUITY		**17,728**	**18,972**

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Year ended March 31, 2023	Year ended March 31, 2022
		(In million of USD, except shares and per share data)	
Revenue	12	27,927	25,707
Cost of revenue		16,884	15,366
GROSS PROFIT		**11,043**	**10,341**
Operating expenses			
Selling, general and administrative expenses		4,329	3,845
OPERATING PROFIT		**6,714**	**6,496**
Other income			
Finance and other income	14(a)	406	358
Finance costs	14(b)	(96)	(105)
Other gains (net)	14(c)	22	181
Other income (net)		**332**	**434**
PROFIT BEFORE TAXES		**7,046**	**6,930**
Income tax expense	15	1,808	1,775
PROFIT FOR THE YEAR		**5,238**	**5,155**
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		34	37
Net change in fair value of investments in equity shares carried at fair value through OCI		-	(1)
Items that will be reclassified subsequently to profit or loss			
Net change in fair value of investments other than equity shares carried at fair value through OCI		(57)	(45)
Net change in intrinsic value of derivatives designated as cash flow hedges		(2)	(4)
Net change in time value of derivatives designated as cash flow hedges		3	(5)
Exchange differences on translation of foreign operations and translation to presentation currency		(902)	(398)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES), NET OF TAX		**(924)**	**(416)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,314**	**4,739**
Profit for the year attributable to:			
Shareholders of the Company		5,219	5,139
Non-controlling interests		19	16
		5,238	**5,155**
Other comprehensive income for the year attributable to:			
Shareholders of the Company		(917)	(409)
Non-controlling interests		(7)	(7)
		(924)	**(416)**
Total comprehensive income for the year attributable to:			
Shareholders of the Company		4,302	4,730
Non-controlling interests		12	9
		4,314	**4,739**
Earnings per share			
Weighted average number of equity shares		3,65,90,51,373	3,69,88,32,195
Basic and diluted earnings per share in USD	17	1.43	1.39

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

	Number of shares	Share capital	Retained earnings	Special Economic Zone re-investment reserve	Foreign currency translation reserve	Cash flow hedging reserve		Investment revaluation reserve	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
						Intrinsic value	Time value				
	(In million of USD, except share data)										
Balance as at April 1, 2022	**3,65,90,51,373**	**68**	**14,943**	**1,008**	**(4,004)**	**(7)**	**(15)**	**60**	**12,053**	**95**	**12,148**
Profit for the year	-	-	5,219	-	-	-	-	-	5,219	19	5,238
Other comprehensive income / (losses)	-	-	34	-	(895)	(2)	3	(57)	(917)	(7)	(924)
Total comprehensive income	**-**	**-**	**5,253**	**-**	**(895)**	**(2)**	**3**	**(57)**	**4,302**	**12**	**4,314**
Dividend	-	-	(5,102)	-	-	-	-	-	(5,102)	(8)	(5,110)
Purchase of non-controlling interests	-	-	(1)	-	-	-	-	-	(1)	(2)	(3)
Transfer to Special Economic Zone re-investment reserve	-	-	(1,039)	1,039	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	482	(482)	-	-	-	-	-	-	-
Balance as at March 31, 2023	**3,65,90,51,373**	**68**	**14,536**	**1,565**	**(4,899)**	**(9)**	**(12)**	**3**	**11,252**	**97**	**11,349**

Consolidated Statement of Changes in Equity

	Number of shares	Share capital	Retained earnings	Special Economic Zone re-investment reserve	Foreign currency translation reserve	Cash flow hedging reserve		Investment revaluation reserve	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
						Intrinsic value	Time value				
	(In million of USD, except share data)										
Balance as at April 1, 2021	**3,69,90,51,373**	**69**	**15,144**	**372**	**(3,613)**	**(3)**	**(10)**	**106**	**12,065**	**94**	**12,159**
Profit for the year	-	-	5,139	-	-	-	-	-	5,139	16	5,155
Other comprehensive income / (losses)	-	-	37	-	(391)	(4)	(5)	(46)	(409)	(7)	(416)
Total comprehensive income	**-**	**-**	**5,176**	**-**	**(391)**	**(4)**	**(5)**	**(46)**	**4,730**	**9**	**4,739**
Dividend	-	-	(1,803)	-	-	-	-	-	(1,803)	(8)	(1,811)
Expenses for buy-back of equity shares	-	-	(6)	-	-	-	-	-	(6)	-	(6)
Tax on buy-back of equity shares	-	-	(550)	-	-	-	-	-	(550)	-	(550)
Buy-back of equity shares	(4,00,00,000)	(1)	(2,382)	-	-	-	-	-	(2,383)	-	(2,383)
Transfer to Special Economic Zone re-investment reserve	-	-	(1,262)	1,262	-	-	-	-	-	-	-
Transfer from Special Economic Zone re-investment reserve	-	-	626	(626)	-	-	-	-	-	-	-
Balance as at March 31, 2022	**3,65,90,51,373**	**68**	**14,943**	**1,008**	**(4,004)**	**(7)**	**(15)**	**60**	**12,053**	**95**	**12,148**

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Gain of $34 million and $37 million on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended March 31, 2023 and 2022, respectively.

Retained earnings include statutory reserve of $26 million and $29 million as at March 31, 2023 and 2022, respectively.

Total equity (primarily retained earnings) includes $195 million and $232 million as at March 31, 2023 and 2022, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Consolidated Statement of Cash Flows

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	5,238	5,155
Adjustments for:		
Depreciation and amortisation expense	622	617
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	17	18
Income tax expense	1,808	1,775
Net gain on lease modification	-	(1)
Net loss on sub-lease	-	1
Unrealised foreign exchange gain	(23)	(16)
Net gain on disposal of property, plant and equipment	(2)	(3)
Net gain on disposal / fair valuation of investments	-	(1)
Operating profit before working capital changes	**7,660**	**7,545**
Net change in		
Trade receivables		
Billed	(805)	(564)
Unbilled	(146)	(125)
Other financial assets	11	(11)
Other assets	(6)	108
Trade payables	252	25
Unearned and deferred revenue	5	(14)
Other financial liabilities	176	166
Other liabilities and provisions	(31)	62
Cash generated from operations	**7,116**	**7,192**
Taxes paid (net of refunds)	(1,606)	(1,539)
Net cash generated from operating activities	**5,510**	**5,653**
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits placed	(555)	(2,130)
Inter-corporate deposits placed	(1,044)	(1,966)
Purchase of investments*	(16,051)	(10,062)
Payment for purchase of property, plant and equipment	(314)	(332)
Payment including advances for acquiring right-of-use assets	(26)	(1)
Payment for purchase of intangible assets	(44)	(67)
Proceeds from bank deposits	788	1,591
Proceeds from inter-corporate deposits	1,673	2,619
Proceeds from disposal / redemption of investments*	15,127	9,812
Proceeds from disposal of property, plant and equipment	5	4
Net cash used in investing activities	**(441)**	**(532)**

Consolidated Statement of Cash Flows

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(188)	(190)
Dividend paid	(5,102)	(1,803)
Dividend paid to non-controlling interests	(8)	(8)
Transfer of funds to buy-back escrow account	-	(24)
Transfer of funds from buy-back escrow account	2	21
Expenses for buy-back of equity shares	-	(6)
Tax on buy-back of equity shares	(553)	-
Buy-back of equity shares	-	(2,362)
Advance towards purchase of non-controlling interests	-	(3)
Net cash used in financing activities	**(5,849)**	**(4,375)**
Net change in cash and cash equivalents	**(780)**	**746**
Cash and cash equivalents at the beginning of the year	1,650	934
Exchange difference on translation of foreign currency cash and cash equivalents	(4)	(30)
Cash and cash equivalents at the end of the year	**866**	**1,650**
Components of cash and cash equivalents		
Cash at banks and in hand	258	292
Bank deposits (original maturity less than three months)	608	1,358
	866	**1,650**
Supplementary cash flow information		
Interest paid	96	93
Interest received	381	362
Dividend received	2	1

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*Purchase of investments include $20 million and $2 million for years ended March 31, 2023 and 2022, respectively, and proceeds from disposal / redemption of investments include $20 million and $12 million for years ended March 31, 2023 and 2022, respectively, held by trusts and TCS Foundation held for specified purposes.

Notes forming part of Consolidated Financial Statements

1) Corporate information

Tata Consultancy Services Limited (“the Company”) and its subsidiaries (collectively together with employee welfare trusts referred to as “the Group”) provide IT services, consulting and business solutions and have been partnering with many of the world’s largest businesses in their transformation journeys. The Group offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions. This is delivered through its unique Location-Independent Agile delivery model recognised as a benchmark of excellence in software development.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is TCS House, Raveline Street, Fort, Mumbai- 400001. As at March 31, 2023, Tata Sons Private Limited, the holding company owned 72.27% of the Company’s equity share capital.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2023 and authorised for issue on April 12, 2023.

2) Statement of compliance

These consolidated 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 consolidated financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group’s normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

The statement of cash flows has 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 Group classifies interest paid and interest and dividend received as cash flow from operating activities. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (₹). The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the dates of statement of financial position and exchange gains and losses arising on settlement and restatement are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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

4) Basis of consolidation

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity’s returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The financial statements of the Group companies are consolidated on a line-by-line basis and all inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Company’s interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the dates of statement of financial position. Statement of profit or loss and other comprehensive income of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity. When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal.

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

5) Use of estimates and judgements

The preparation of consolidated 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 as at the date of consolidated financial statements and the reported amounts of income and expenses for the periods presented.

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

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

(a) Revenue recognition

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

(b) Useful lives of property, plant and equipment

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

(c) Impairment of goodwill

The Group estimates the value-in-use of the cash generating units (CGUs) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rates used for the CGUs represent the weighted average cost of capital based on the historical market returns of comparable companies.

(d) Fair value measurement of financial instruments

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

(f) Provisions and contingent liabilities

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

The Group uses significant judgements to assess contingent liabilities. Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

(g) Employee benefits

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

(h) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of IFRS 16. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

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

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

6) Nature and purpose of reserves

(a) Retained earnings

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

(b) Special Economic Zone re-investment reserve

The Special Economic Zone (SEZ) re-investment reserve is created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961 of India. The reserve will be utilised by the Group for acquiring new assets for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961 of India.

(c) Foreign currency translation reserve

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

(d) Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to profit or loss in the period in which the underlying hedged transaction occurs.

(e) Investment revaluation reserve

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

7) Recent accounting standards

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

Amendments to IAS 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]

Amendments to IFRS 16 Lease Liability in a sale and Leaseback[2]

Amendments to IAS 1 Non-current Liabilities with Covenants[2]

Amendments to IAS 1 Classification of Liabilities[2]

[1]Effective for annual periods beginning on or after January 1, 2023.

[2] Effective for annual periods beginning on or after January 1, 2024.

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 is evaluating the impact, if any, in its financial statements.

IFRS 16- Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The Group does not expect this amendment to have any significant impact in its financial statements.

IAS 1 – Non-current Liabilities with Covenants

In October 2022, IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The Group does not expect the amendments to have any significant impact on its classification of non-current liabilities in its statement of financial position.

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.

8) Business combinations

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

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

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests’ proportionate share of the acquiree’s identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders’ equity.

9) Financial assets, financial liabilities and equity instruments

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

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

Cash and cash equivalents

The Group considers all highly liquid 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 assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Equity instruments

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

Derivative accounting

- **Instruments in hedging relationship**

  The Group designates certain foreign exchange forward, currency options and futures contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

  The Group uses hedging instruments that are governed by the policies of the Company and its subsidiaries which are approved by their respective Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company and its subsidiaries.

  The hedge instruments are designated and documented as hedges at the inception of the contract. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in profit or loss.

  The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve.

  The Group separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the intrinsic value and time value of an option is recognised in the other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified in profit or loss when the related hedged items affect profit or loss.

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

- **Instruments not in hedging relationship**

  The Group enters into contracts that are effective as hedges from an economic perspective, but they do not qualify for hedge accounting. The change in the fair value of such instrument is recognised in profit or loss.

Impairment of financial assets (other than at fair value)

The Group assesses at each date of statement of financial position whether a financial asset or a group of financial assets is impaired. IFRS 9 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(a) Cash and cash equivalents

Cash and cash equivalents consist of the following:

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Cash at banks and in hand	258	292
Bank deposits (original maturity less than three months)	608	1,358
Total	**866**	**1,650**
Held within India	115	1,012
Held outside India	751	638
Total	**866**	**1,650**

(b) Investments

Investments consist of the following:

Investments – Current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Investments carried at fair value through profit or loss		
Mutual fund units	279	248
	279	**248**
Investments carried at fair value through OCI		
Government bonds and securities	3,178	3,391
Corporate bonds	378	164
	3,556	**3,555**
Investments carried at amortised cost		
Corporate bonds	1	1
Certificate of deposits	359	13
Commercial papers	292	50
Treasury bills	-	131
	652	**195**
Total	**4,487**	**3,998**

Investments – Current includes $8 million and $13 million as at March 31, 2023 and 2022, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Government bonds and securities includes bonds pledged with bank for credit facility and with manager to the buy-back amounting to $201 million and $470 million as at March 31, 2023 and 2022, respectively.

Investments – Non-current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Investments designated at fair value through OCI		
Equity shares	5	5
	5	**5**
Investments carried at amortised cost		
Government bonds and securities	23	24
Corporate bonds	4	-
	27	**24**
Total	**32**	**29**

Investments – Non-current includes $27 million and $24 million as at March 31, 2023 and 2022, respectively, pertaining to trusts held for specified purposes.

The movement in fair value of investments carried / designated at fair value through OCI is as follows:

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Balance at the beginning of the year	**60**	**106**
Net loss arising on revaluation of investments in equities carried at fair value through other comprehensive income	-	(1)
Net loss arising on revaluation of investments other than equities carried at fair value through other comprehensive income	(87)	(69)
Deferred tax relating to net loss arising on revaluation of investments other than equities carried at fair value through other comprehensive income	30	24
Balance at the end of the year	**3**	**60**

(c) Trade receivables - Billed

Trade receivables- Billed consist of the following:

Trade receivables - Billed – Current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Trade receivables- Billed	5,057	4,562
Less: Allowance for doubtful trade receivables- Billed	(65)	(61)
Total	**4,992**	**4,501**

Trade receivables - Billed – Non-current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Trade receivables- Billed	100	134
Less: Allowance for doubtful trade receivables- Billed	(82)	(115)
Total	**18**	**19**

(d) Other financial assets

Other financial assets consist of the following:

Other financial assets – Current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Security deposits	46	23
Fair value of foreign exchange derivative assets	23	51
Interest receivable	88	86
Earmarked balances with banks	83	30
Employee loans and advances	58	49
Inter-corporate deposits	103	802
Others	4	24
Total	**405**	**1,065**

Other financial assets – Non-current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Security deposits	75	109
Earmarked balances with banks	23	24
Employee loans and advances	-	1
Inter-corporate deposits	21	40
Others	1	2
Total	**120**	**176**

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

Inter-corporate deposits yield fixed interest rate and are placed with financial institutions, who are authorised to accept and use such inter-corporate deposits as per regulations applicable to them. Inter-corporate deposits include $113 million and $129 million as at March 31, 2023 and 2022, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

Interest receivable includes $8 million and $4 million as at March 31, 2023 and 2022, respectively, pertaining to trusts and TCS Foundation held for specified purposes.

(e) Other financial liabilities

Other financial liabilities consist of the following:

Other financial liabilities – Current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Capital creditors	89	102
Fair value of foreign exchange derivative liabilities	17	17
Liabilities towards customer contracts	138	137
Accrued payroll	833	736
Unclaimed dividends	6	6
Others	20	17
Total	**1,103**	**1,015**

Other financial liabilities – Non-current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Capital creditors	15	45
Others	29	31
Total	**44**	**76**

Others include advance taxes paid of $28 million and $30 million as at March 31, 2023 and 2022, respectively, by the seller of TCS e-Serve Limited (merged with the Company) which, on refund by tax authorities, is payable to the seller.

(f) Financial instruments by category

The carrying value of financial instruments by categories as at March 31, 2023 is as follows:

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
	(In million of USD)					
Financial assets						
Cash and cash equivalents	-	-	-	-	866	866
Bank deposits	-	-	-	-	554	554
Investments	279	3,561	-	-	679	4,519
Trade receivables						
Billed	-	-	-	-	5,010	5,010
Unbilled	-	-	-	-	1,107	1,107
Earmarked balances with banks	-	-	-	-	106	106
Other financial assets	-	-	5	18	396	419
Total	**279**	**3,561**	**5**	**18**	**8,718**	**12,581**
Financial liabilities						
Trade payables	-	-	-	-	1,278	1,278
Lease liabilities	-	-	-	-	935	935
Other financial liabilities	-	-	-	17	1,130	1,147
Total	**-**	**-**	**-**	**17**	**3,343**	**3,360**

Other financial assets include inter-corporate deposits of $124 million, with original maturity period within 24 months.

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

	Fair value through profit or loss	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total carrying value
	(In million of USD)					
Financial assets						
Cash and cash equivalents	-	-	-	-	1,650	1,650
Bank deposits	-	-	-	-	891	891
Investments	248	3,560	-	-	219	4,027
Trade receivables						
Billed	-	-	-	-	4,520	4,520
Unbilled	-	-	-	-	1,029	1,029
Earmarked balances with banks	-	-	-	-	54	54
Other financial assets	-	-	16	35	1,136	1,187
Total	**248**	**3,560**	**16**	**35**	**9,499**	**13,358**
Financial liabilities						
Trade payables	-	-	-	-	1,063	1,063
Lease liabilities	-	-	-	-	1,033	1,033
Other financial liabilities	-	-	3	14	1,074	1,091
Total	**-**	**-**	**3**	**14**	**3,170**	**3,187**

Notes forming part of Consolidated Financial Statements

Other financial assets include inter-corporate deposits of $842 million, with original maturity period within 36 months.

Carrying amounts of cash and cash equivalents, trade receivables and trade payables as at March 31, 2023 and 2022, approximate the fair value due to their nature. Carrying amounts of bank deposits, earmarked balances with banks, other financial assets and other financial liabilities which are subsequently measured at amortised cost also approximate the fair value due to their nature in each of the periods presented. Fair value measurement of lease liabilities is not required. Fair value of investments carried at amortised cost is $679 million and $220 million as at March 31, 2023 and 2022, respectively.

(g) Fair value hierarchy

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

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

As at March 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
	(In million of USD)			
Financial assets				
Mutual fund units	279	-	-	279
Equity shares	-	-	5	5
Government bonds and securities	3,201	-	-	3,201
Corporate bonds	383	-	-	383
Certificate of deposits	359	-	-	359
Commercial papers	292	-	-	292
Fair value of foreign exchange derivative assets	-	23	-	23
Total	**4,514**	**23**	**5**	**4,542**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	17	-	17
Total	**-**	**17**	**-**	**17**

(₹ crore)

As at March 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
	(In million of USD)			
Financial assets				
Mutual fund units	248	-	-	248
Equity shares	-	-	5	5
Government bonds and securities	3,416	-	-	3,416
Corporate bonds	165	-	-	165
Certificate of deposits	13	-	-	13
Commercial papers	50	-	-	50
Treasury bills	131	-	-	131
Fair value of foreign exchange derivative assets	-	51	-	51
Total	**4,023**	**51**	**5**	**4,079**
Financial liabilities				
Fair value of foreign exchange derivative liabilities	-	17	-	17
Total	**-**	**17**	**-**	**17**

Reconciliation of Level 3 fair value measurement of financial assets is as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Balance at the beginning of the year	**5**	**13**
Impairment in value of investments	-	(1)
Other adjustments during the year	-	(7)
Balance at the end of the year	**5**	**5**

(h) Derivative financial instruments and hedging activity

The Group's revenue is denominated in various foreign currencies. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes the Group to currency fluctuations.

The Board of Directors has constituted a Risk Management Committee (RMC) to frame, implement and monitor the risk management plan of the Group which inter-alia covers risks arising out of exposure to foreign currency fluctuations. Under the guidance and framework provided by the RMC, the Group uses various derivative instruments such as foreign exchange forward, currency options and futures contracts in which the counter party is generally a bank.

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

Foreign currency	As at March 31, 2023			As at March 31, 2022		
	No. of contracts	Notional amount of contracts (In million)	Fair value (In million of USD)	No. of contracts	Notional amount of contracts (In million)	Fair value (In million of USD)
US Dollar	8	225	2	63	1,635	6
Great Britain Pound	22	200	2	41	338	7
Euro	22	203	1	53	382	3
Australian Dollar	-	-	-	30	202	(3)
Canadian Dollar	-	-	-	25	137	-

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

	Year ended March 31, 2023		Year ended March 31, 2022	
	Intrinsic value	Time value	Intrinsic value	Time value
	(In million of USD)			
Balance at the beginning of the year	**(7)**	**(15)**	**(3)**	**(10)**
(Gain) / loss transferred to profit or loss on occurrence of forecasted hedge transactions	(48)	60	(86)	70
Deferred tax on (gain) / loss transferred to profit or loss on occurrence of forecasted hedge transactions	10	(18)	18	(18)
Change in the fair value of effective portion of cash flow hedges	46	(56)	81	(75)
Deferred tax on change in the fair value of effective portion of cash flow hedges	(10)	17	(17)	18
Balance at the end of the year	**(9)**	**(12)**	**(7)**	**(15)**

The Group has entered into derivative instruments not in hedging relationship by way of foreign exchange forward, currency options and futures contracts. As at March 31, 2023 and 2022, the notional amount of outstanding contracts aggregated to $5,776 million and $6,129 million, respectively and the respective fair value of these contracts have a net gain of $2 million and $21 million.

Exchange loss of $145 million and gain of $87 million on foreign exchange forward, currency options and futures contracts that do not qualify for hedge accounting have been recognised in profit or loss for years ended March 31, 2023 and 2022, respectively.

Net foreign exchange gain / (loss) include loss of $12 million and gain of $16 million transferred from cash flow hedging reserve for the years ended March 31, 2023 and 2022, respectively.

Net loss on derivative instruments of $21 million, recognised in accumulated other comprehensive income as at March 31, 2023, is expected to be transferred to profit or loss by March 31, 2024. The maximum period over which the exposure to cash flow variability has been hedged is through calendar year 2023.

Following table summarises approximate gain / (loss) on Group's other comprehensive income on account of appreciation / depreciation of the underlying foreign currencies.

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
10% Appreciation of the underlying foreign currencies	-	(51)
10% Depreciation of the underlying foreign currencies	66	269

(i) Financial risk management

The Group is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- **Foreign currency exchange rate risk**

  The fluctuation in foreign currency exchange rates may have potential impact on the 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 Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

  The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. Further, any movement in the functional currencies of the various operations of the Group against major foreign currencies may impact the Group's revenue in international business.

  The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies.

  The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currencies of Tata Consultancy Services Limited and its subsidiaries.

  The following analysis has been worked out based on the net exposures for each of the subsidiaries and Tata Consultancy Services Limited as at the date of statement of financial position which could affect the statement of profit or loss and other comprehensive income and equity. Further the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Group as disclosed in note 9(h).

  The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2023:

	USD	EUR	GBP	Others
	(In million of USD)			
Net financial assets	470	32	11	260
Net financial liabilities	(1,340)	(80)	(187)	(34)

  10% appreciation / depreciation of the respective functional currency of Tata Consultancy Services Limited and its subsidiaries with respect to various foreign currencies would result in increase / decrease in the Group's profit before taxes by approximately $87 million for the year ended March 31, 2023.

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2022:

	USD	EUR	GBP	Others
	(In million of USD)			
Net financial assets	383	22	11	163
Net financial liabilities	(1,135)	(58)	(170)	(56)

10% appreciation / depreciation of the respective functional currency of Tata Consultancy Services Limited and its subsidiaries with respect to various foreign currencies would result in increase / decrease in the Group's profit before taxes by approximately $84 million for the year ended March 31, 2022.

- **Interest rate risk**

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

Credit risk

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

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. Inter-corporate deposits of $124 million are with a financial institution having a high credit-rating assigned by credit-rating agencies. Bank deposits include an amount of $521 million held with three banks having high credit rating which are individually in excess of 10% or more of the Group's total bank deposits as at March 31, 2023. None of the other financial instruments of the Group result in material concentration of credit risk.

- **Exposure to credit risk**

  The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk was $13,285 million and $13,937 million as at March 31, 2023 and 2022, respectively, being the total of the carrying amount of balances with banks, bank deposits, investments, trade receivables, unbilled receivables, contract assets and other financial assets.

  The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables, unbilled receivables and contract assets as at March 31, 2023 and 2022.

- **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, 2023		As at March 31, 2022	
	Gross%	Net%	Gross%	Net%
	(In million of USD)			
United States of America	43.65	44.31	43.79	44.69
United Kingdom	16.05	16.37	16.47	16.86
India	15.45	14.06	15.51	13.83

Geographical concentration of trade receivables and contract assets is allocated based on the location of the customers.

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2023 and 2022 was $15 million and $17 million respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Balance at the beginning of the year	**176**	**175**
Changes during the year	15	17
Bad debts written off	(31)	(11)
Translation exchange difference	(13)	(5)
Balance at the end of the year	**147**	**176**

Liquidity risk

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

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

March 31, 2023	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
	(In million of USD)				
Non-derivative financial liabilities					
Trade payables	1,278	-	-	-	1,278
Lease liabilities	239	215	387	345	1,186
Other financial liabilities	1,089	6	37	1	1,133
Total	**2,606**	**221**	**424**	**346**	**3,597**
Derivative financial liabilities	17	-	-	-	17
Total	**2,623**	**221**	**424**	**346**	**3,614**

March 31, 2022	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
	(In million of USD)				
Non-derivative financial liabilities					
Trade payables	1,063	-	-	-	1,063
Lease liabilities	244	214	423	416	1,297
Other financial liabilities	1,001	45	31	1	1,078
Total	**2,308**	**259**	**454**	**417**	**3,438**
Derivative financial liabilities	17	-	-	-	17
Total	**2,325**	**259**	**454**	**417**	**3,455**

(j) Equity instruments

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

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Authorised		
Equity shares of ₹1 each (4,600,500,000 shares and 4,600,500,000 shares)	86	86
Preference shares of ₹1 each (1,050,250,000 shares and 1,050,250,000 shares)	20	20
Total	**106**	**106**
Issued, Subscribed and Fully paid up		
Opening balance of equity shares of ₹1 each (3,659,051,373 shares and 3,699,051,373 shares)	68	69
Equity shares of ₹1 each extinguished on buy-back (NIL shares and 40,000,000 shares)	-	(1)
Total	**68**	**68**

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

The Company bought back 40,000,000 equity shares for an aggregate amount of ₹18,000 crore (USD equivalent $2,378 million) being 1.08% of the total paid up equity share capital at ₹4,500 (USD equivalent $59.45) per equity share in the previous year. The equity shares bought back were extinguished on March 29, 2022.

10) Leases

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

Group as a lessee

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

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

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

The Group has elected not to apply the requirements of IFRS 16 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

At the inception of the lease, the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 Revenue from contracts with customers to allocate the consideration in the contract.

The details of the right-of-use assets held by the Group is as follows:

	Additions for the year ended March 31, 2023	Net carrying amount as at March 31, 2023
	(In million of USD)	
Leasehold land	22	114
Buildings	151	769
Leasehold improvements	2	4
Computer equipment	9	15
Furniture, fixtures, office equipment and other assets	2	5
Software licences	-	12
Total	**186**	**919**

	Additions for the year ended March 31, 2022	Net carrying amount as at March 31, 2022
	(In million of USD)	
Leasehold land	13	102
Buildings	181	870
Leasehold improvements	-	3
Computer equipment	1	11
Furniture, fixtures, office equipment and other assets	2	5
Software licences	20	18
Total	**217**	**1,009**

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

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Leasehold land	1	1
Buildings	190	197
Leasehold improvements	1	1
Computer equipment	4	3
Furniture, fixtures, office equipment and other assets	2	2
Software licences	5	5
Total	**203**	**209**

Interest on lease liabilities is $61 million and $70 million for years ended March 31, 2023 and 2022, respectively.

The Group incurred $39 million and $37 million for the years ended March 31, 2023 and 2022, respectively, towards expenses relating to short-term leases and leases of low-value assets.

The total cash outflow for leases is $314 million and $298 million for the years ended March 31, 2023 and 2022, respectively, including cash outflow for short-term leases and leases of low-value assets.

The Group has lease term extension options that are not reflected in the measurement of lease liabilities. The present value of future cash outflows for such extension periods is $96 million and $102 million as at March 31, 2023 and 2022, respectively.

Lease contracts entered by the Group majorly pertain for buildings taken on lease to conduct its business in the ordinary course.

The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

11) Non-financial assets and non-financial liabilities

(a) Property, plant and equipment

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

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

The estimated useful lives are as mentioned below:

Type of asset	Useful lives
Buildings	20 years
Leasehold improvements	Lease term
Computer equipment	4 years
Furniture, fixtures, office equipment and other assets	2-10 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use. Capital work-in-progress includes capital advances.

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

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

Property, plant and equipment consist of the following:

	Freehold land	Buildings	Leasehold improve-ments	Computer equipment	Furniture, fixtures, office equipment and other assets	Total
	(In million of USD)					
Cost as at April 1, 2022	**47**	**1,035**	**338**	**1,596**	**988**	**4,004**
Additions	-	28	9	202	47	286
Disposals	-	(1)	(2)	(42)	(14)	(59)
Translation exchange difference	(3)	(81)	(21)	(123)	(70)	(298)
Cost as at March 31, 2023	**44**	**981**	**324**	**1,633**	**951**	**3,933**
Accumulated depreciation as at April 1, 2022	**-**	**(441)**	**(229)**	**(1,135)**	**(777)**	**(2,582)**
Depreciation	-	(49)	(23)	(218)	(68)	(358)
Disposals	-	1	2	42	11	56
Translation exchange difference	-	35	14	88	57	194
Accumulated depreciation as at March 31, 2023	**-**	**(454)**	**(236)**	**(1,223)**	**(777)**	**(2,690)**
Net carrying amount as at March 31, 2023	**44**	**527**	**88**	**410**	**174**	**1,243**
Capital work-in-progress*						167
Total						**1,410**

*$286 million has been capitalised and transferred to property, plant and equipment during year ended March 31, 2023.

	Freehold land	Buildings	Leasehold improve-ments	Computer equipment	Furniture, fixtures, office equipment and other assets	Total
	(In million of USD)					
Cost as at April 1, 2021	**48**	**1,060**	**339**	**1,462**	**995**	**3,904**
Additions	-	7	15	250	43	315
Disposals	-	-	(7)	(69)	(26)	(102)
Translation exchange difference	(1)	(32)	(9)	(47)	(24)	(113)
Cost as at March 31, 2022	**47**	**1,035**	**338**	**1,596**	**988**	**4,004**
Accumulated depreciation as at April 1, 2021	**-**	**(401)**	**(214)**	**(1,030)**	**(747)**	**(2,392)**
Depreciation	-	(53)	(28)	(208)	(71)	(360)
Disposals	-	-	7	69	22	98
Translation exchange difference	-	13	6	34	19	72
Accumulated depreciation as at March 31, 2022	**-**	**(441)**	**(229)**	**(1,135)**	**(777)**	**(2,582)**
Net carrying amount as at March 31, 2022	**47**	**594**	**109**	**461**	**211**	**1,422**
Capital work-in-progress*						174
Total						**1,596**

*$315 million has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2022.

(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 economic uncertainties, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Goodwill consists of the following:

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Balance at the beginning of the year	**520**	**538**
Translation exchange difference	(32)	(18)
Balance at the end of the year	**488**	**520**

Goodwill of $260 million and $283 million as at March 31, 2023 and 2022 has been allocated to TCS business process services (BPS) CGU.

The Group estimated the value-in-use of TCS BPS based on future cash flows of this CGU using a 5.00% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 15.00%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Goodwill of $83 million and $86 million as at March 31, 2023 and 2022 has been allocated to the TCS business in France. The estimated value-in-use of this CGU is based on the future cash flows using a 1.50% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 9.45%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The remaining amount of goodwill of $145 million and $151 million as at March 31, 2023 and 2022, respectively, (relating to different CGUs individually immaterial) has been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of these CGUs exceeded their carrying amounts.

(c) Other intangible assets

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

Intangible assets consist of rights under licensing agreement and software licences and customer-related intangibles.

Following table summarises the nature of intangibles and their estimated useful lives:

Type of asset	Useful lives
Rights under licensing agreement and software licences	Lower of licence period and 2-5 years
Customer-related intangibles	3 years

Intangible assets are amortised on a straight-line basis over the period of its economic useful life.

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

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

Intangible assets consist of the following:

	Rights under licensing agreement and software licences	Customer-related intangibles	Total
	(In million of USD)		
Cost as at April 1, 2022	**223**	**17**	**240**
Additions	32	-	32
Disposals / Derecognised	(9)	-	(9)
Translation exchange difference	(17)	(1)	(18)
Cost as at March 31, 2023	**229**	**16**	**245**
Accumulated amortisation as at April 1, 2022	**(78)**	**(17)**	**(95)**
Amortisation	(61)	-	(61)
Disposals / Derecognised	9	-	9
Translation exchange difference	6	1	7
Accumulated amortisation as at March 31, 2023	**(124)**	**(16)**	**(140)**
Net carrying amount as at March 31, 2023	**105**	**-**	**105**

	Rights under licensing agreement and software licences	Customer-related intangibles	Total
	(In million of USD)		
Cost as at April 1, 2021	**100**	**18**	**118**
Additions	134	-	134
Disposals / Derecognised	(6)	-	(6)
Translation exchange difference	(5)	(1)	(6)
Cost as at March 31, 2022	**223**	**17**	**240**
Accumulated amortisation as at April 1, 2021	**(36)**	**(17)**	**(53)**
Amortisation	(47)	(1)	(48)
Disposals / Derecognised	4	-	4
Translation exchange difference	1	1	2
Accumulated amortisation as at March 31, 2022	**(78)**	**(17)**	**(95)**
Net carrying amount as at March 31, 2022	**145**	**-**	**145**

Function wise amortisation of intangible assets is as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Cost of revenue	52	41
Selling general and administrative expenses	9	7
Total	**61**	**48**

The estimated amortisation for the years subsequent to March 31, 2023 is as follows:

Year ending March 31,	Amortisation expense (In million of USD)
2024	57
2025	33
2026	10
2027	5
Total	**105**

(d) Other assets

Other assets consist of the following:

Other assets – Current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Advances to suppliers	11	27
Contract assets	683	561
Prepaid expenses	182	396
Prepaid rent	2	2
Contract fulfillment costs	126	142
Indirect taxes recoverable	128	173
Others	53	43
Total	**1,185**	**1,344**

Other assets – Non-current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Contract assets	26	23
Prepaid expenses	260	171
Contract fulfillment costs	14	20
Others	26	37
Total	**326**	**251**

Non-current – Others includes advance of $22 million and $36 million towards acquiring right-of-use of leasehold land as at March 31, 2023 and 2022, respectively.

Contract fulfillment costs of $120 million and $108 million for the years ended March 31, 2023 and 2022, respectively, have been amortised in the profit or loss. Refer note 12 for changes in contract assets.

(e) Other liabilities

Other liabilities consist of the following:

Other liabilities – Current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Advances received from customers	66	62
Indirect taxes payable and other statutory liabilities	501	480
Tax liability on buy-back of equity shares	-	554
Others	28	12
Total	**595**	**1,108**

(f) Provisions

Provisions consist of the following:

Provisions – Current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Provision towards legal claim (Refer note 19)	25	165
Provision for foreseeable loss	12	17
Other provisions	5	4
Total	**42**	**186**

12) Revenue recognition

The Group earns revenue primarily from providing IT services, consulting and business solutions. The Group offers a consulting-led, cognitive powered, integrated portfolio of IT, business and engineering services and solutions.

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

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight-lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method (‘POC method’) of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

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

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with IAS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Group disaggregates revenue from contracts with customers by nature of services, industry verticals and geography.

Revenue disaggregation by nature of services is as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Consultancy services	27,665	25,511
Sale of equipment and software licences	262	196
Total	**27,927**	**25,707**

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

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in IFRS 15. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is $16,810 million out of which 53.17% 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:

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Balance at the beginning of the year	**584**	**556**
Invoices raised that were included in the contract assets balance at the beginning of the year	(412)	(422)
Increase due to revenue recognised during the year, excluding amounts billed during the year	563	463
Translation exchange difference	(26)	(13)
Balance at the end of the year	**709**	**584**

Changes in unearned and deferred revenue are as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Balance at the beginning of the year	**627**	**660**
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(383)	(436)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	385	415
Translation exchange difference	(40)	(12)
Balance at the end of the year	**589**	**627**

13) Cost recognition

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

Cost of revenue

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

Selling, general and administrative expenses

Selling costs primarily include employee compensation for sales and marketing personnel, travel expenses, advertising, business promotion expenses, bad debts and advances written off, allowance for 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 nature

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Employee cost	15,799	14,419
Fees to external consultants	2,646	2,332
Facility expenses	329	286
Depreciation and amortisation expense	622	617
Cost of equipment and software licences	231	156
Travel expenses	331	213
Communication expenses	278	275
Bad debts and advances written off, allowance for doubtful trade receivables and advances (net)	17	18
Other expenses	960	895
Total	**21,213**	**19,211**

Refer note 16 for function wise bifurcation of employee cost.

14) Other income

(a) Finance and other income

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

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Dividend received	2	-
Interest on bank balances and bank deposits	36	39
Interest on financial assets carried at fair value through OCI	264	245
Interest on financial assets carried at amortised cost	81	72
Others	21	1
Total	**406**	**358**

(b) Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Interest on lease liabilities	61	70
Interest on tax matters	6	29
Other interest costs	29	6
Total	**96**	**105**

(c) Other gains (net)

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Net gain on disposal of property, plant and equipment	2	3
Net gain on lease modification	-	1
Net loss on sub-lease	-	(1)
Net gain on disposal / fair valuation of investments carried at fair value through profit or loss	27	27
Net foreign exchange gain / (loss)	(19)	139
Others	12	12
Total	**22**	**181**

15) Income taxes

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

Current income taxes

The current income tax expense includes income taxes payable by the Company and its subsidiaries in India and overseas. The current tax payable by the Company and its subsidiaries in India is Indian income tax payable on income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the 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.

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

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The income tax expense consists of the following:

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Current tax		
Current tax expense for current year	1,905	1,922
Current tax benefit pertaining to prior years	(78)	(91)
	1,827	**1,831**
Deferred tax		
Deferred tax benefit for current year	(16)	(45)
Deferred tax benefit pertaining to prior years	(3)	(11)
	(19)	**(56)**
Total	**1,808**	**1,775**

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statements of profit or loss is as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Profit before taxes	7,046	6,930
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	2,462	2,421
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax holidays	(633)	(642)
Income exempt from tax	(29)	(53)
Undistributed earnings in branches and subsidiaries	34	(6)
Tax on income at different rates	63	131
Tax pertaining to prior years	(81)	(102)
Others (net)	(8)	26
Total income tax expense	**1,808**	**1,775**

Tata Consultancy Services Limited benefits from the tax holiday available for units set up under the Special Economic Zone Act, 2005. These tax holidays are available for a period of fifteen years from the date of commencement of operations. Under the SEZ scheme, the unit which begins providing services on or after April 1, 2005 will be eligible for deductions of 100% of profits or gains derived from export of services for the first five years, 50% of such profits or gains for a further period of five years and 50% of such profits or gains for the balance period of five years subject to fulfillment of certain conditions. From April 1, 2011, profits from units set up under SEZ scheme are subject to Minimum Alternate Tax (MAT).

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Adjustments / Utilisation	Exchange difference	Closing balance
	(In million of USD)					
Deferred tax assets / (liabilities) in relation to						
Property, plant and equipment and intangible assets	55	31	-	-	(4)	82
Provision for employee benefits	140	9	(7)	-	(10)	132
Cash flow hedges	2	-	(1)	-	-	1
Receivables, financial assets at amortised cost	62	(6)	-	-	(3)	53
MAT credit entitlement	130	-	-	(130)	-	-
Branch profit tax	(10)	(7)	-	-	1	(16)
Undistributed earnings of subsidiaries	(46)	(22)	-	-	4	(64)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(42)	-	30	-	2	(10)
Lease liabilities	31	1	-	-	(2)	30
Others	86	13	-	-	(4)	95
Total deferred tax assets / (liabilities)	**408**	**19**	**22**	**(130)**	**(16)**	**303**

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2023	Assets	Liabilities	Net
	(In million of USD)		
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	94	12	82
Provision for employee benefits	133	1	132
Cash flow hedges	1	-	1
Receivables, financial assets at amortised cost	53	-	53
Branch profit tax	-	16	(16)
Undistributed earnings of subsidiaries	-	64	(64)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(10)	-	(10)
Lease liabilities	30	-	30
Others	98	3	95
Total deferred tax assets / (liabilities)	**399**	**96**	**303**

Notes forming part of Consolidated Financial Statements

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

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Adjustments / Utilisation	Exchange difference	Closing balance
	(In million of USD)					
Deferred tax assets / (liabilities) in relation to						
Property, plant and equipment and intangible assets	39	18	-	-	(2)	55
Provision for employee benefits	124	13	8	-	(5)	140
Cash flow hedges	1	-	1	-	-	2
Receivables, financial assets at amortised cost	57	6	-	-	(1)	62
MAT credit entitlement	234	-	-	(99)	(5)	130
Branch profit tax	(42)	31	-	-	1	(10)
Undistributed earnings of subsidiaries	(26)	(21)	-	-	1	(46)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(68)	-	24	-	2	(42)
Lease liabilities	35	(3)	-	-	(1)	31
Others	74	12	-	-	-	86
Total deferred tax assets / (liabilities)	**428**	**56**	**33**	**(99)**	**(10)**	**408**

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2022	Assets	Liabilities	Net
	(In million of USD)		
Deferred tax assets / (liabilities) in relation to			
Property, plant and equipment and intangible assets	68	13	55
Provision for employee benefits	143	3	140
Cash flow hedges	2	-	2
Receivables, financial assets at amortised cost	62	-	62
MAT credit entitlement	130	-	130
Branch profit tax	-	10	(10)
Undistributed earnings of subsidiaries	-	46	(46)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(42)	-	(42)
Lease liabilities	31	-	31
Others	92	6	86
Total deferred tax assets / (liabilities)	**486**	**78**	**408**

Under the Income-tax Act, 1961 of India, unabsorbed business losses expire 8 years after the year in which they originate. In respect of certain foreign subsidiaries, business losses can be carried forward indefinitely unless there is a substantial change in the ownership.

Unrecognised deferred tax assets relate primarily to business losses and tax credit entitlements which do not qualify for recognition as per the applicable accounting standards. These unabsorbed business losses will expire based on the year of origination as follows:

March 31,	Unabsorbed business losses
	(In million of USD)
2028	4
	4

Under the Income-tax Act, 1961 of India, Tata Consultancy Services Limited is liable to pay Minimum Alternate Tax in the tax holiday period. MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred tax liability on temporary differences of $873 million as at March 31, 2023 associated with investments in subsidiaries has not been recognised as it is the in tention of Tata Consultancy Services Limited to reinvest the earnings of these subsidiaries for the foreseeable future.

Direct tax contingencies

The Company and its subsidiaries have ongoing disputes with income tax authorities in India and in some of the other jurisdictions where they operate. The disputes relate to tax treatment of certain expenses claimed as deduction, computation or eligibility of tax incentives and allowances and characterisation of fees for services received. The Company and its subsidiaries have recognised contingent liability in respect of tax demands received from direct tax authorities in India and other jurisdictions of $187 million and $218 million as at March 31, 2023 and 2022, respectively. These demand orders are being contested by the Company and its subsidiaries based on the management evaluation and advise of tax consultants. In respect of tax contingencies of $39 million and $42 million as at March 31, 2023 and 2022, respectively, not included above, the Company is entitled to an indemnification from the seller of TCS e-Serve Limited.

The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions it operates in. The Group has evaluated these notices and inquiries and / has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.

The number of years that are subject to tax assessments varies depending on tax jurisdiction. The major tax jurisdictions of Tata Consultancy Services Limited include India, United States of America and United Kingdom. In India, tax filings from fiscal 2020 are generally subject to examination by the tax authorities. In United States of America, the federal statute of limitation applies to fiscals 2019 and earlier and applicable state statutes of limitation vary by state. In United Kingdom, the statute of limitation generally applies to fiscal 2019 and earlier.

16) Employee benefits

Defined benefit plans

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

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

The Group provides benefits such as gratuity, pension and provident fund (Company managed fund) to its employees which are treated as defined benefit plans.

Defined contribution plans

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

The Group provides benefits such as superannuation, provident fund (other than Company managed fund) and foreign defined contribution plans to its employees which are treated as defined contribution plans.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the date of statement of financial position. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the date of statement of financial position using the Projected Unit Credit Method.

Function wise employee cost consists of the following:

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Cost of revenue	12,284	11,280
Selling, general and administrative expenses	3,515	3,139
Total	**15,799**	**14,419**

Employee cost consist of the following:

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Salaries, incentives and allowances	14,168	12,906
Contributions to provident and other funds	1,195	1,133
Staff welfare expenses	436	380
Total	**15,799**	**14,419**

Employee benefit obligations consist of the following:

Employee benefit obligations – Current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Compensated absences	490	497
Other employee benefit obligations	5	6
Total	**495**	**503**

Employee benefit obligations – Non-current

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Gratuity liability	1	2
Foreign defined benefit plans	46	65
Other employee benefit obligations	19	22
Total	**66**	**89**

Employee benefits plans consist of the following:

Gratuity and pension

In accordance with Indian law, Tata Consultancy Services Limited and its subsidiaries in India operate a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Company manages the plan through a trust. Trustees administer contributions made to the trust. Certain overseas subsidiaries of the Company also provide for retirement benefit pension plans in accordance with the local laws.

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

	Year ended March 31, 2023					Year ended March 31, 2022				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)									
Change in benefit obligations										
Benefit obligations, beginning of the year	**591**	**-**	**303**	**36**	**930**	**587**	**1**	**313**	**33**	**934**
Translation exchange difference	(47)	-	(11)	-	(58)	(18)	-	(12)	-	(30)
Plan participants' contribution	-	-	2	-	2	-	-	2	-	2
Service cost	64	-	5	6	75	72	-	7	6	85
Interest cost	41	-	4	1	46	40	-	3	-	43
Remeasurement of the net defined benefit liability	(19)	-	(78)	(5)	(102)	(25)	-	(5)	(1)	(31)
Past service cost / (credit)	-	-	(1)	-	(1)	-	-	-	-	-
Benefits paid	(62)	-	(1)	(3)	(66)	(66)	-	(5)	(2)	(73)
Shift of plan from unfunded to funded position	-	-	-	-	-	1	(1)	-	-	-
Benefit obligations, end of the year	**568**	**-**	**223**	**35**	**826**	**591**	**-**	**303**	**36**	**930**

	Year ended March 31, 2023					Year ended March 31, 2022				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)									
Change in plan assets										
Fair value of plan assets, beginning of the year	**729**	**-**	**282**	**-**	**1,011**	**640**	**-**	**283**	**-**	**923**
Translation exchange difference	(60)	-	(8)	-	(68)	(20)	-	(11)	-	(31)
Interest income	53	-	3	-	56	45	-	2	-	47
Employers' contributions	131	-	2	-	133	131	-	6	-	137
Plan participants' contribution	-	-	2	-	2	-	-	2	-	2
Benefits paid	(62)	-	(1)	-	(63)	(66)	-	(5)	-	(71)
Remeasurement- return on plan assets excluding amount included in interest income	(13)	-	(46)	-	(59)	(1)	-	5	-	4
Fair value of plan assets, end of the year	**778**	**-**	**234**	**-**	**1,012**	**729**	**-**	**282**	**-**	**1,011**

	As at March 31, 2023					As at March 31, 2022				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)									
Funded status										
Deficit of plan assets over obligations	(1)	-	(11)	(35)	(47)	(2)	-	(29)	(36)	(67)
Surplus of plan assets over obligations	211	-	22	-	233	140	-	8	-	148
Total	**210**	**-**	**11**	**(35)**	**186**	**138**	**-**	**(21)**	**(36)**	**81**

	As at March 31, 2023					As at March 31, 2022				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)									
Category of assets										
Corporate bonds	223	-	35	-	258	224	-	49	-	273
Equity instruments	15	-	43	-	58	9	-	72	-	81
Government bonds and securities	355	-	-	-	355	346	-	26	-	372
Insurer managed funds	169	-	66	-	235	130	-	66	-	196
Bank balances	2	-	11	-	13	1	-	3	-	4
Others	14	-	79	-	93	19	-	66	-	85
Total	**778**	**-**	**234**	**-**	**1,012**	**729**	**-**	**282**	**-**	**1,011**

Notes forming part of Consolidated Financial Statements

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

	Year ended March 31, 2023					Year ended March 31, 2022				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)									
Service cost	64	-	5	6	75	72	-	7	6	85
Net interest on net defined benefit (asset) / liability	(12)	-	1	1	(10)	(5)	-	1	-	(4)
Past service cost / (credit)	-	-	(1)	-	(1)	-	-	-	-	-
Net periodic gratuity / pension cost	**52**	**-**	**5**	**7**	**64**	**67**	**-**	**8**	**6**	**81**
Actual return on plan assets	**40**	**-**	**(43)**	**-**	**(3)**	**44**	**-**	**7**	**-**	**51**

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

	Year ended March 31, 2023				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)				
Actuarial (gains) and losses arising from changes in demographic assumptions	4	-	-	1	5
Actuarial (gains) and losses arising from changes in financial assumptions	(20)	-	(78)	(6)	(104)
Actuarial (gains) and losses arising from changes in experience adjustments	(3)	-	-	-	(3)
Remeasurement of the net defined benefit liability	**(19)**	**-**	**(78)**	**(5)**	**(102)**
Remeasurement- return on plan assets excluding amount included in interest income	13	-	46	-	59
Total	**(6)**	**-**	**(32)**	**(5)**	**(43)**

	Year ended March 31, 2022				
	Domestic plans Funded	Domestic plans Unfunded	Foreign plans Funded	Foreign plans Unfunded	Total
	(In million of USD)				
Actuarial (gains) and losses arising from changes in demographic assumptions	(3)	-	(2)	-	(5)
Actuarial (gains) and losses arising from changes in financial assumptions	(22)	-	(8)	(3)	(33)
Actuarial (gains) and losses arising from changes in experience adjustments	-	-	5	2	7
Remeasurement of the net defined benefit liability	**(25)**	**-**	**(5)**	**(1)**	**(31)**
Remeasurement- return on plan assets excluding amount included in interest income	1	-	(5)	-	(4)
Total	**(24)**	**-**	**(10)**	**(1)**	**(35)**

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

	Year ended March 31, 2023		Year ended March 31, 2022	
	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate	7.25%-7.50%	2.16%- 9.40%	4.50%-7.25%	0.77%-8.30%
Rate of increase in compensation levels of covered employees	4.00%-8.00%	1.50%- 7.00%	4.00%-6.00%	1.50%-7.00%
Rate of return on plan assets	7.25%-7.50%	2.16%- 9.40%	4.50%-7.25%	0.77%-8.30%
Weighted average duration of defined benefit obligations	2-13 years	3-28 years	2-16 years	3-31 years

Future mortality assumptions are taken based on the published statistics by the Insurance Regulatory and Development Authority of India.

The expected benefits are based on the same assumptions as are used to measure the Group's defined benefit plan obligations as at March 31, 2023. The Group is expected to contribute $7 million to defined benefit plan obligations funds for the year ending March 31, 2023 comprising domestic component of $1 million and foreign component of $6 million.

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:

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Increase of 0.50%	(32)	(49)
Decrease of 0.50%	35	56

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

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Increase of 0.50%	19	26
Decrease of 0.50%	(18)	(25)

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

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

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, 2023 as follows:

Year ending March 31,	Defined benefit obligations
	(In million of USD)
2024	92
2025	78
2026	75
2027	75
2028	74
2029-2033	331

Provident fund

In accordance with Indian law, all eligible employees of Tata Consultancy Services Limited in India are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to a trust set up by the Company to manage the investments and distribute the amounts entitled to employees. This plan is a defined benefit plan as the Company is obligated to provide its members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in profit or loss under employee cost. In accordance with an actuarial valuation of provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

All eligible employees of Indian subsidiaries of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to the Government administered provident fund plan. A part of the company's contribution is transferred to Government administered pension fund. This plan is a defined contribution plan as the obligation of the employer is limited to the monthly contributions made to the fund. The contributions made to the fund are recognised as an expense in profit or loss under employee cost.

The details of fund and plan assets are given below:

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Fair value of plan assets	3,102	3,014
Present value of defined benefit obligations	(3,102)	(3,014)
Net excess / (shortfall)	-	-

The plan assets have been primarily invested in Government securities and corporate bonds.

The principal assumptions used in determining the present value obligations of interest guarantee under the deterministic approach are as follows:

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.50%	7.00%
Average remaining tenure of investment portfolio	7 years	8 years
Guaranteed rate of return	8.15%	8.10%

The Group expensed $202 million and $185 million for the years ended March 31, 2023 and 2022, respectively towards provident fund.

Superannuation

All eligible employees on Indian payroll are entitled to benefits under Superannuation, a defined contribution plan. The Group makes monthly contributions until retirement or resignation of the employee. The Group recognises such contributions as an expense when incurred. The Group has no further obligation beyond its monthly contribution.

The Group expensed $49 million and $51 million for the years ended March 31, 2023 and 2022, respectively, towards Employees' Superannuation Fund.

Foreign defined contribution plans

The Group expensed $261 million and $241 million for the years ended March 31, 2023 and 2022, respectively, towards foreign defined contribution plans.

Notes forming part of Consolidated Financial Statements

17) Earnings per share

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

	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year attributable to Shareholders of the Company (In million of USD)	5,219	5,139
Weighted average number of equity shares	3,65,90,51,373	3,69,88,32,195
Basic and diluted earnings per share in USD	1.43	1.39
Face value per equity share in ₹	1	1

18) Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chief Executive Officer and Managing Director.

The Group has identified business segments ('industry vertical') as reportable segments. The business segments comprise: 1) Banking, Financial Services and Insurance, 2) Manufacturing, 3) Retail and Consumer Business, 4) Communication, Media and Technology, 5) Life Sciences and Healthcare and 6) Others such as Energy, Resources and Utilities, s-Governance and Products.

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

The assets and liabilities of the Group are used interchangeably amongst segments. Allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence assets and liabilities have not been identified to any of the reportable segments.

Summarised segment information for the years ended March 31, 2023 and 2022 is as follows:

Year ended March 31, 2023

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Life Sciences and Healthcare	Others	Total
	(In million of USD)						
Revenue	**10,670**	**2,632**	**4,647**	**4,664**	**3,047**	**2,267**	**27,927**
Segment result	**2,769**	**725**	**1,195**	**1,319**	**853**	**475**	**7,336**
Depreciation and amortisation expense							622
Total unallocable expenses							622
Operating profit							**6,714**
Other income (net)							332
Profit before taxes							**7,046**
Income tax expense							1,808
Profit for the year							**5,238**
Significant non-cash items (allocable)	4	1	1	1	3	8	18
Significant non-cash items (unallocable)	-	-	-	-	-	-	-

Year ended March 31, 2022

	Banking, Financial Services and Insurance	Manufacturing	Retail and Consumer Business	Communication, Media and Technology	Life Sciences and Healthcare	Others	Total
	(In million of USD)						
Revenue	**10,072**	**2,494**	**4,118**	**4,273**	**2,744**	**2,006**	**25,707**
Segment result	**2,703**	**750**	**1,145**	**1,276**	**824**	**415**	**7,113**
Depreciation and amortisation expense							617
Total unallocable expenses							617
Operating profit							**6,496**
Other income (net)							434
Profit before taxes							**6,930**
Income tax expense							1,775
Profit for the year							**5,155**
Significant non-cash items (allocable)	2	-	1	-	-	15	18
Significant non-cash items (unallocable)							-

Information regarding geographical revenue is as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Americas		
North America	14,907	12,983
Latin America	495	430
Europe		
United Kingdom	4,194	4,076
Continental Europe	4,159	4,123
Asia Pacific	2,248	2,270
India	1,396	1,315
Middle East and Africa	528	510
Total	**27,927**	**25,707**

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

Geographical non-current assets (property, plant and equipment, right-of-use assets, goodwill, other intangible assets, income tax assets and other non-current assets) are allocated based on the location of assets.

Information regarding geographical non-current assets is as follows:

Geography	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Americas		
North America	371	369
Latin America	128	113
Europe		
United Kingdom	170	182
Continental Europe	305	297
Asia Pacific	116	112
India	2,408	2,643
Middle East and Africa	64	67
Total	**3,562**	**3,783**

Information about major customers

No single customer represents 10% or more of the Group's total revenue for the years ended March 31, 2023 and 2022, respectively.

19) Commitments and contingencies

Capital commitments

The Group has contractually committed (net of advances) $188 million and $190 million as at March 31, 2023 and 2022, respectively, for purchase of property, plant and equipment.

Contingencies

- **Direct tax matters**

  Refer note 15.

- **Indirect tax matters**

  The Company and its subsidiaries have ongoing disputes with tax authorities mainly relating to treatment of characterisation and classification of certain items. The Company and its subsidiaries have demands amounting to $69 million and $75 million as at March 31, 2023 and 2022, respectively, from various indirect tax authorities which are being contested by the Company and its subsidiaries based on the management evaluation and advice of tax consultants.

- **Other claims**

  Claims aggregating $34 million and $39 million as at March 31, 2023 and 2022, respectively, against the Group have not been acknowledged as debts.

  In addition to above, in October 2014, Epic Systems Corporation (referred to as Epic) filed a legal claim against the Company in the Court of Western District Madison, Wisconsin alleging unauthorised access to and download of their confidential information and use thereof in the development of the Company's product MedMantra.

  In April 2016, the Company received an unfavourable jury verdict awarding damages of $940 million to Epic which was thereafter reduced by the Trial Court to $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 $100 million award and $200 million in punitive damages.

  On August 20, 2020, the Appeals Court (a) vacated the award of $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 $140 million, (b) affirmed the District Court's decision vacating the jury's award of $100 million in compensatory damages for alleged use of "other confidential information" by the Company, and, (c) affirmed the District Court's decision upholding the jury's award of $140 million in compensatory damages for use of the comparative analysis by the Company. Considering all the facts and various legal precedence, on a conservative and prudent basis, the Company provided $165 million towards this legal claim in its statement of profit or loss for three month period ended September 30, 2020. This was included in the operating expenses as provision towards legal claim. On April 8, 2021, Epic approached the Supreme Court seeking review of the Order of the Appeals Court which was denied by the Supreme Court on March 21, 2022.

  On April 21, 2022, Epic invoked payment of $140 million out of $440 million Letter of Credit provided as security, towards compensatory damages awarded by the District Court and confirmed by the Appeals Court, already provided for in the earlier years.

  On July 1, 2022, the District Court passed an Order affirming the punitive damages at $140 million. The Company has filed an appeal on November 16, 2022, in the Appeals Court to reduce the punitive damages awarded by the District Court, which is pending.

  Pursuant to encashment of the Letter of Credit towards compensatory damages, the value of Letter of Credit made available to Epic stands reduced to $152 million.

- **Letter of comfort**

  The Company has given letter of comfort to banks for credit facilities availed by its subsidiaries. As per the terms of letter of comfort, the Company undertakes not to divest its ownership interest directly or indirectly in the subsidiary and provide such managerial, technical and financial assistance to ensure continued successful operations of the subsidiary.

  The amounts assessed as contingent liability do not include interest that could be claimed by counter parties.

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

Name of the Company	Country of incorporation	% of voting power as at March 31, 2023	% of voting power as at March 31, 2022
Subsidiaries (held directly)			
APTOnline Limited	India	89.00	89.00
C-Edge Technologies Limited	India	51.00	51.00
Diligenta Limited	UK	100.00	100.00
MP Online Limited	India	89.00	89.00
Tata Consultancy Services Canada Inc.	Canada	100.00	100.00
Tata America International Corporation	USA	100.00	100.00
Tata Consultancy Services Asia Pacific Pte Ltd.	Singapore	100.00	100.00
Tata Consultancy Services Belgium	Belgium	100.00	100.00
Tata Consultancy Services Deutschland GmbH	Germany	100.00	100.00
Tata Consultancy Services Netherlands BV	Netherlands	100.00	100.00
Tata Consultancy Services Sverige AB	Sweden	100.00	100.00
TCS FNS Pty Limited	Australia	100.00	100.00
TCS Iberoamerica SA	Uruguay	100.00	100.00
Tata Consultancy Services (Africa) (PTY) Ltd.	South Africa	100.00	100.00
MahaOnline Limited	India	74.00	74.00
Tata Consultancy Services Qatar L.L.C.	Qatar	100.00	100.00
TCS e-Serve International Limited	India	100.00	100.00
TCS Foundation	India	100.00	100.00
Tata Consultancy Services UK Limited	UK	100.00	100.00
Tata Consultancy Services Ireland Limited	Ireland	100.00	100.00
Subsidiaries (held indirectly)			
TCS Financial Solutions Beijing Co., Ltd.	China	100.00	100.00
Tata Consultancy Services (China) Co., Ltd. (w.e.f. May 18, 2022)	China	100.00	93.20
TCS Solution Center S.A.	Uruguay	100.00	100.00
Tata Consultancy Services Argentina S.A.	Argentina	100.00	100.00
Tata Consultancy Services Do Brasil Ltda	Brazil	100.00	100.00
Tata Consultancy Services De Mexico S.A., De C.V.	Mexico	100.00	100.00
Tata Consultancy Services De Espana S.A.	Spain	100.00	100.00
Tata Consultancy Services Italia s.r.l.	Italy	100.00	100.00
Tata Consultancy Services Japan, Ltd.	Japan	66.00	66.00
Tata Consultancy Services Malaysia Sdn Bhd	Malaysia	100.00	100.00
Tata Consultancy Services Luxembourg S.A.	Capellen (G.D. de Luxembourg)	100.00	100.00
Tata Consultancy Services (Portugal) Unipessoal, Limitada	Portugal	100.00	100.00
TCS Inversiones Chile Limitada	Chile	100.00	100.00
Tata Consultancy Services Chile S.A.	Chile	100.00	100.00
TATASOLUTION CENTER S.A.	Ecuador	100.00	100.00

Notes forming part of Consolidated Financial Statements

Name of the Company	Country of incorporation	% of voting power as at March 31, 2023	% of voting power as at March 31, 2022
TCS Financial Solutions Australia Pty Limited	Australia	100.00	100.00
PT Tata Consultancy Services Indonesia	Indonesia	100.00	100.00
Tata Consultancy Services Switzerland Ltd.	Switzerland	100.00	100.00
Tata Consultancy Services (South Africa) (PTY) Ltd.	South Africa	100.00	100.00
Tata Consultancy Services (Thailand) Limited	Thailand	100.00	100.00
Tata Consultancy Services (Philippines) Inc.	Philippines	100.00	100.00
TCS Uruguay S.A.	Uruguay	100.00	100.00
MGDC S.C.	Mexico	100.00	100.00
Tata Consultancy Services Osterreich GmbH	Austria	100.00	100.00
Tata Consultancy Services Danmark ApS (w.e.f. July 27, 2022)	Denmark	-	100.00
Tata Consultancy Services France	France	100.00	100.00
Tata Consultancy Services Saudi Arabia	Saudi Arabia	100.00	100.00
TCS Business Services GmbH	Germany	100.00	100.00
TCS Technology Solutions AG	Germany	100.00	100.00
Saudi Desert Rose Holding B.V.	Netherlands	100.00	100.00
Tata Consultancy Services Bulgaria EOOD	Bulgaria	100.00	100.00
Tata Consultancy Services Guatemala, S.A.	Gautemala	100.00	100.00

Note:

1. On May 18, 2022, Tata Consultancy Services Asia Pacific Pte Ltd. acquired additional 6.8% ownership interest in Tata Consultancy Services (China) Co., Ltd. for a purchase consideration of $3 million thereby making it a wholly owned subsidiary.

2. Tata Consultancy Services Danmark ApS liquidated w.e.f. July 27, 2022.

21) Related party transactions

The Company's principal related parties consist of its holding company Tata Sons Private Limited and its subsidiaries, its own subsidiaries, affiliates and key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business. Refer note 20 for list of subsidiaries of the Company.

Transactions and balances with its own subsidiaries are eliminated on consolidation.

	Year ended March 31, 2023				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
	(In million of USD)				
Revenue	5	145	378	-	528
Facility expenses	-	3	8	-	11
Lease rental	-	7	6	-	13
Brand equity contribution	28	-	-	-	28
Contribution and advance to post employment benefit plans	-	-	-	363	363
Purchases of goods and services (including reimbursements)	-	76	28	-	104
Purchase of property, plant and equipment	-	2	17	-	19

	Year ended March 31, 2023				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
	(In million of USD)				
Loans and advances given	-	-	5	-	5
Loans and advances recovered	-	-	2	-	2
Loans and advances taken	-	3	1	-	4
Dividend paid	3,680	2	1	-	3,683

	Year ended March 31, 2022				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
	(In million of USD)				
Revenue	5	106	374	-	485
Facility expenses	-	3	6	-	9
Lease rental	-	10	3	-	13
Brand equity contribution	27	-	-	-	27
Contribution and advance to post employment benefit plans	-	-	-	310	310
Purchases of goods and services (including reimbursements)	-	76	21	-	97
Purchase of property, plant and equipment	-	2	20	-	22
Loans and advances given	-	-	1	-	1
Loans and advances recovered	-	-	2	-	2
Dividend paid	1,292	1	-	-	1,293
Buy-back of shares	1,478	1	1	-	1,480

Balances receivable from related parties are as follows:

	As at March 31, 2023				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
	(In million of USD)				
Trade receivables and contract assets	-	53	122	-	175
Other financial assets and other assets	1	12	10	-	23
Total	**1**	**65**	**132**	**-**	**198**

	As at March 31, 2022				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
	(In million of USD)				
Trade receivables and contract assets	1	32	123	-	156
Other financial assets and other assets	1	7	4	-	12
Total	**2**	**39**	**127**	**-**	**168**

Balances payable to related parties are as follows:

	As at March 31, 2023				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
	(In million of USD)				
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	26	46	40	34	146
Total	**26**	**46**	**40**	**34**	**146**
Commitments	-	2	6	-	8

	As at March 31, 2022				
	Tata Sons Private Limited	Subsidiaries of Tata Sons Private Limited	Associates / joint ventures of Tata Sons Private Limited and their subsidiaries	Other related parties	Total
	(In million of USD)				
Trade payables, unearned and deferred revenue, other financial liabilities and other liabilities	25	67	20	-	112
Total	**25**	**67**	**20**	**-**	**112**
Commitments	-	5	26	-	31

Material related party transactions are as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Revenue from operations		
Jaguar Land Rover Limited	211	201
Tata Steel IJmuiden BV	66	75
Tata Digital Private Limited	62	36

Material related party balances are as follows:

	As at March 31, 2023	As at March 31, 2022
	(In million of USD)	
Trade receivables and contract assets		
Jaguar Land Rover Limited	59	50

Transactions with key management personnel are as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
	(In million of USD)	
Short-term benefits	7	7
Dividend paid during the year	-*	-*
	7	**7**

* Amount less than $1 million.

Notes forming part of Consolidated Financial Statements

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

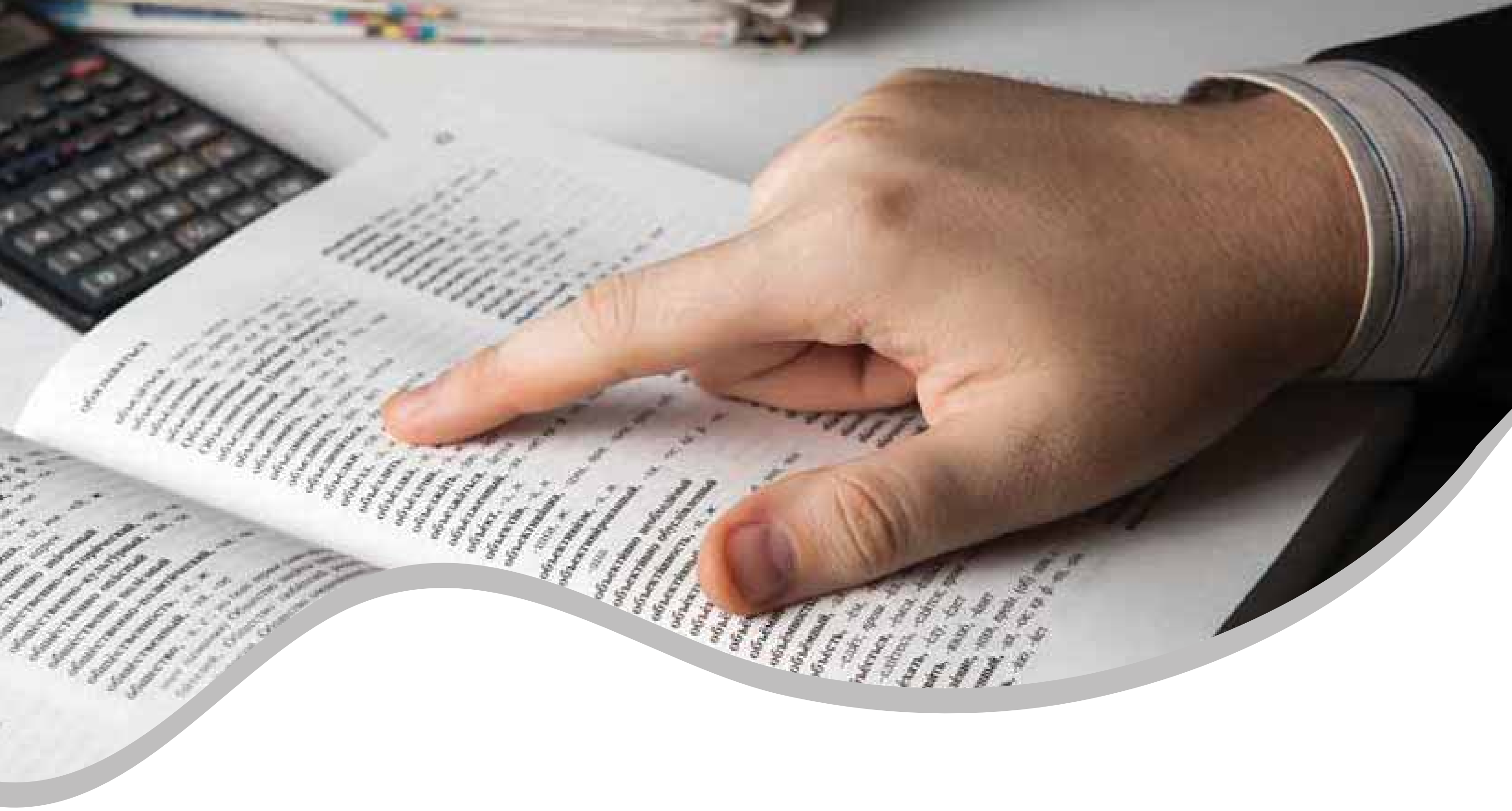
The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

22) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are notified. The Company and its Indian subsidiaries will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

23) Dividend

Dividends paid during the year ended March 31, 2023 include an amount of $0.29 (₹22.00) per equity share towards final dividend for the year ended March 31, 2022 and an amount of $01.11 (₹91.00) per equity share towards interim dividends (including special dividend) for the year ended March 31, 2023. Dividends paid during the year ended March 31, 2022 include an amount of $0.20 (₹15.00) per equity share towards final dividend for the year ended March 31, 2021 and an amount of $0.27 (₹21.00) per equity share towards interim dividends for the year ended March 31, 2022.

Dividends declared by the Company are based on profits available for distribution. On April 12, 2023, the Board of Directors of the Company have proposed a final dividend of $0.29 (₹24.00) per share in respect of the year ended March 31, 2023 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately $1,068 million.



Glossary

5G	Fifth generation wireless technology for digital cellular networks. 5G is expected to be much faster and enable much higher volumes of data sharing than earlier generations of cellular networks. Its massive capacity and ultra-low latency are expected to usher in an era of hyper-connectivity, enabling newer use cases such as autonomous cars, and accelerating the adoption of IoT.
ADM	See Application Development and Maintenance
Agile	A collaborative approach for IT and business teams to develop software incrementally and faster. TCS has pioneered the Location Independent Agile™ model that allows for deployment at scale, and helps globally distributed organization execute large transformational programs quickly, while ensuring stability and quality.
AgilityDebt™	AgilityDebt™ is a simple index developed by TCS, which uniquely indicates the burden carried by an organization that restricts its Agility. The index is arrived at based on a holistic Agile maturity assessment framework that measures the gap against required Agile talent, roles, team composition, delivery practices, Agile culture, Agile technology and DevOps enablers. TCS uses AgilityDebt™ to assess where the customer's teams are in the Agile journey, find the bottlenecks, and accelerate their Agile transformations.
Agile Workspaces	These are key enablers of TCS' Location Independent Agile model, and represent the next generation work environment that facilitate greater collaboration among teams. It is characterized by partition-less open offices, informal seating, interactive surfaces for information capture, and modern collaboration devices for increased productivity.
AI	See Artificial Intelligence
Algo Retail™	TCS' proprietary approach and suite of intellectual property that enables retailers to seamlessly integrate and orchestrate data flows across the retail value chain, harnessing the power of analytics, AI and machine learning in the areas of personalization, pricing optimization, marketing, online search and commerce to unlock exponential business value.
Amortization	Systematic allocation of the depreciable amount of an intangible asset over its useful life.
Analytics	In the enterprise context, this is the discovery, interpretation, and communication of meaningful patterns in business data to predict and improve business performance.
Annuity Contracts	A long-term contract which can guarantee regular payments.
APAC	Acronym for Asia Pacific
API	See Application Programming Interface

APIfication	The process of exposing a discrete business function or data within an enterprise's systems through APIs.
Application Development and Maintenance	Design, development, and deployment of custom software; ongoing support, upkeep, and enhancement of such software over its lifetime.
Application Programming Interface	A set of easily accessible protocols for communication among various software components.
AR	See Augmented Reality
Artificial Intelligence	Technology that emulates human performance by learning, coming to its own conclusions, understanding complex content, engaging in natural dialogs with people, augmenting human effort or replacing people on execution of non-routine tasks. Also known as Cognitive Computing.
ASEAN	Acronym for Association of Southeast Asian Nations
Assets Under Custody	A measure of the total assets for which a financial institution, typically a custodian bank, provides custodian services.
Attrition	Measures what portion of the workforce left the organization (voluntarily and involuntarily) over the last 12 months (LTM). Attrition (LTM) = Total number of departures in the LTM / closing headcount
AUC	See Assets Under Custody
Augmented Reality	Technology that superimposes a computer-generated image on a user's view of the real world to enrich the interaction.
Automation	The execution of work by machines in accordance with rules that have either been explicitly coded by a human or 'learned' by the machine through pattern recognition of data. Popular types include Robotic Process Automation and Cognitive Automation.
Avatar	An avatar is a digital representation of yourself, whether it's in a video game, the metaverse, or wherever else it might be applicable.
Basis Point	One hundredth of a percentage point, that is, 0.01 percent.
BFSI	Acronym for Banking, Financial Services and Insurance
Big Data	A high volume, high velocity, and/or high variety information asset that require new forms of processing to enable enhanced decision making, insight discovery, and process optimization.
Blockchain	A distributed database that maintains a continuously growing list of records, called blocks, secured from tampering and revision.
Bp	See Basis Point
BPaaS	See Business Process as a Service
BPS	See Business Process Services
Business 4.0	TCS' thought leadership framework that helps enterprises leverage technology to further their growth and transformation agenda. Successful Business 4.0 enterprises use technology to deliver mass personalization, leverage ecosystems, embrace risk and create exponential value. Such enterprises are agile, intelligent, automated and on the cloud.
Business Process as a Service	Refers to the delivery of BPS over a cloud computing model. Whereas traditional BPS relies on labor arbitrage to reduce costs, BPaaS aggregates demand using the cloud, servicing multiple customers with a single instance, multi-tenant platform and shared services, thereby delivering significant operating efficiencies. The pricing model is usually outcome based.
Business Process Services	Designing, enabling, and executing business operations including data management, analytics, interactions and experience management.
Buyback	A corporate action in which a company returns excess cash to shareholders by buying back its shares from them and usually extinguishing those shares thereafter. The company's equity share capital and the number of shares outstanding in the market correspondingly reduced.
CAGR	See Compounded Annual Growth Rate
Capital Expenditure (CapEx)	Funds used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, an industrial plant, technology, or equipment.
Carbon Neutral	Not adding new greenhouse gas (GHG) emissions to the atmosphere through reduction initiatives and where emissions continue, they are compensated by absorbing an equivalent amount from the atmosphere through carbon offset.

Carbon Offset	Market-based instrument used to compensate for the emission of greenhouse gases into the atmosphere because of the organization's activity by reducing them somewhere else. Certified Emission Reductions (CERs) and Verified Emission Reductions (VERs) are some of the popular carbon offsets.
Cash and Cash Equivalents	Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.
Cash Flow	Inflows and outflows of cash and cash equivalents.
Cash Flow from Operating Activities	Primarily derived from the principal revenue producing activities. Therefore, they generally result from the transactions and other events that enter into the determination of profit or loss.
CBO	See Cognitive Business Operations
CC	See Constant Currency
Chatbots	Computer programs designed to simulate conversation with human users, especially over the internet. They are typically used in dialog systems for various practical purposes like customer service or information acquisition.
Cloud	See Cloud Computing
Cloud Computing	The delivery of easily provisionable computing resources – servers, storage, databases, networking, software, analytics and more – over the internet, consumed on a pay-as-you-go basis.
Cloud Native	A cloud native application consists of discrete, reusable components known as microservices that are designed to integrate into any cloud environment.
CMT	Acronym for Communication, Media and Technology
CMMI-SVC	Acronym for Capability Maturity Model® Integration For Services
Cognitive Automation	The use of AI and machine learning to automate relatively more complex tasks that require reasoning capability and contextual awareness. TCS' ignio™ a leading cognitive automation software product in the market today.
Cognitive Business Operations (CBO)	An integrated offering where TCS takes responsibility for the outcome of an entire slice of the customers' operations including the business processes and the underlying IT infrastructure, and uses cognitive automation to transform that operational stack.
Cognitive Computing	See Artificial Intelligence
COIN	See Co-Innovation Network
Co-Innovation Network	This is an extended, global innovation ecosystem curated by TCS, to harness the innovation efforts of start-ups and academia, and incorporate them into transformational solutions built by TCS for its customers.
Compounded Annual Growth Rate (CAGR)	The annual growth rate between any two points in time, assuming that it has been compounding during that period.
Connected Clinical Trials (CCT) Platform	Part of the TCS ADD suite, CCT is an innovative software-as-a-service platform that enables life sciences companies to significantly transform patient engagement in clinical trials and improve adherence to protocols, as well as the efficiency and accountability of clinical trials.
Constant Currency	The basis for restating the current period's growth after eliminating the impact of movements in exchange rates during the period.
Contextual Knowledge	This is tacit knowledge pertaining to, and specific to, the granular nuances of a customer's business and IT landscape, acquired on the job over a period of time. TCS teams use their contextual knowledge to design technology solutions that are uniquely tailored for that customer, and therefore, a potential source of competitive differentiation.
Conversational AI	Conversational artificial intelligence (AI) refers to technologies, like chatbots or virtual agents, which users can talk to. They use large volumes of data, machine learning, and natural language processing to help imitate human interactions, recognizing speech and text inputs and translating their meanings across various languages.
CO2e	Acronym for "Carbon dioxide equivalent". It is a standard unit for accounting greenhouse gas (GHG) emissions from carbon dioxide or another greenhouse gases, such as SOX, NOX, methane, etc.
CPG	Acronym for Consumer Packaged Goods
Core Banking System	A back-end system that processes daily banking transactions and posts updates to accounts and other financial records; typically includes deposit, loan and credit processing capabilities, with interfaces to general ledger systems and reporting tools.

Core Transformation	Modernization initiatives that target the one or more elements of the organization's operations stack consisting of business processes, software systems and underlying infrastructure, usually to enable greater agility, scalability, resilience and a superior customer experience. These are typically large in scale and scope, and entail the integrated delivery of multiple capabilities.
Cyber Security	Technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorized access.
Days' Sales Outstanding (DSO)	A popular way of depicting the Trade Receivable relative to the company's Revenue. DSO = Trade Receivable * 365 / LTM Revenue
DSO Data Mining	Data mining is the practice of obtaining valuable information from data sets. The data can be in any form, such as text, audio, or video data. Data mining aims to find actionable insights in the data that can improve business decisions or solve problems. For instance, data mining can discover customer buying patterns and target ads towards people who would likely purchase a product.
Depreciation	Systematic allocation of the depreciable amount of an asset over its useful life.
DevOps	Represents a new way of working to rapidly deploy new releases of a software in production using high levels of automation and tooling. TCS recommends adoption of DevOps, along with Agile for speed to market.
Digital	Represents new age technologies such as Social Media, Mobility, Analytics, Big Data, Cloud, Artificial Intelligence and Internet of Things. Increasingly, with these technologies becoming mainstream, this word is becoming redundant.
Digital Divide	Digital Divide refers to the unequal spread of technology and the opportunities it affords between different socioeconomic groups in a society.
Digital Twin	A digital replica of a physical entity. For instance, a digital twin of a factory is a virtual model of the factory built using its data, process, people information. Impact of any change in a process in the real factory can be studied by simulating the change in the digital twin.
Discretionary Spend	Also known as Change the Business (CTB) spend, it is that portion of the IT budget which is used to fund projects that are not, strictly speaking, essential for day to day operations, but are more transformational in nature. In uncertain economic times, when businesses are forced to cut spends in response to decline in income, discretionary spend is often the first to be scrutinized. However, what is considered discretionary is subjective and may differ considerably amongst businesses even within the same sector.
Distributed Ledger Technology	See Blockchain
Dividend	One form of distribution of profits earned by the Company and is usually declared as an amount per equity share held by the Shareholders. TCS has a policy of declaring quarterly interim dividends and the final dividend is approved by the shareholders in the Annual General Meeting.
DLT	See Distributed Ledger Technology
EACs	Energy Attribute Certificates (EACs) are market-based instruments that can be used by the bearer to claim renewable energy consumption. Each EAC is equivalent to 1 MWh of electricity.
Earnings Per Share (EPS)	The amount of that period's Net Income attributable to a single share after deducting any preference dividend and related taxes. EPS = [Net profit attributable to Shareholders of the Company – Preference dividend, if any] / Weighted average number of equity shares outstanding during the period.
Edge Computing	Computing and storage that is located on servers on the edge of the network, in close proximity to the users, but not through an on-premise data center; usually reserved for low latency use cases.
EFF1	European Efficiency Classification standard, Level 1
Effective Tax Rate (ETR)	The proportion of the Profit Before Tax that is provided towards income taxes. ETR = Tax expense / Profit Before Tax
EIA	Acronym for Environmental Impact Assessment. It is an environmental impact study which needs to be conducted as per Ministry of Environment and Forest (MoEF) requirements for new construction/ expansion projects.
Engineering and Industrial Services	Consists of next generation product engineering, manufacturing operations transformation, services transformation, embedded software and Internet of Things.

Enterprise Agile	The adoption of Agile methods across all the business functions of the enterprise, designed to empower employees, foster collaboration and drive a culture of continuous innovation at scale.
Environmental, Social and Governance	Environmental, social and governance (ESG) is a system for how to measure the sustainability of a company in three specific categories: environmental, social and governance.
EPEAT	Acronym for Electronic Product Environmental Assessment Tool
EPS	See Earnings Per Share
ESG	See Environmental, Social and Governance
ETR	See Effective Tax rate
Fair Value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Fintech	Businesses that use technology to make financial services more efficient. Some fintech developments have improved traditional services, for example mobile banking apps, while others have revolutionized services such as pay per mile car insurance, or created new products, such as Bitcoin.
Fixed Price Contracts	A form of services contracts where the vendor takes a turnkey responsibility for delivering a solution for a certain price and within a mutually agreed timeframe. The customer is billed on completion of key project milestones and related deliverables. This arrangement gives the vendor considerable flexibility in the staffing and execution of the project. On the other hand, it also means bearing the project risk.
Framework	A kind of intellectual property, consisting of software which provides generic functionality for a certain business use case, and which is customized for a specific customer's needs with additional code. Use of such pre-built code reduces time to market and results in more stable, reliable solutions.
Free Cash Flow	Represents the cash a company generates through its operations, less the capital expenditure. Free cash flow = Cash flow from operating activities – Capital expenditure
FTE	Acronym Full Time Equivalent
Function Point	A function point is a granular building block of a software, based on a functional view of that system, represented by a code snippet whose logic helps the user accomplish something. The concept is used while estimating the effort for building a new application, by decomposing it into its constituent function points of varying levels of complexity.
Furlough	A temporary cessation of work without pay for the employees, usually implemented by organizations facing under difficult economic conditions, and in lieu of laying off employees.
Gamification	The process of adding games or game-like elements to any activity in order to enrich experiences and encourage user participation.
GDPR	Acronym for General Data Protection Regulation, a European Union regulation for data protection and privacy.
Generative AI	Generative AI describes any type of artificial intelligence (AI) that is is capable of generating new content, including text, images, video, audio, simulations, code or synthetic data. The most popular example is ChatGPT, a large language model that uses deep learning to produce text that looks like it is written by humans.
GHGs	Acronym for Greenhouse Gas. These are gases that trap heat in the atmosphere leading to global warming and climate change.
Global Capability Centers (GCC) / Captive units	Captive units include both MNC-owned units that undertake work for the parents' global operations and the company owned units of domestic firms, set up in offshore locations offering cheaper labor pool, helping the parent to reduce its operational costs.
Growth and Transformation	Initiatives launched to improve the enterprise's revenues, leveraging technology to adopt new business models, drive new revenue streams, enhance customer experience or target new customer segments. This is in contrast to traditional outsourcing engagements where the focus is on improving efficiency and saving costs.
G&T	See Growth and Transformation
HVAC	Acronym for Heating Ventilation and Air Conditioning System
Hybrid Cloud	An enterprise IT infrastructure model that combines private clouds, public clouds and on premise data centers, to meet the compute and storage needs of the business.
IE3	International Electrotechnical Commission (IEC) standards, Level 3
IGBT	Acronym for Insulated Gate Bipolar Transistors
Innovation Days	Focused workshops with a TCS customer where researchers and business leaders from both organizations participate to explore emerging technologies for specific customer problems.

Innovation Forum	TCS' thought leadership event that is held in North America, UK, Latin America and Japan. It brings together researchers from academia, innovators from the start-up ecosystem, technology watchers, futurists and customers to brainstorm around emerging technologies.
Inorganic Growth	Growth in revenue due to mergers, acquisitions or takeovers, rather than due to an increase in the company's own business activity.
ISO	Acronym for International Organization for Standardization
Internet of Things	A network of interconnected machines or devices embedded with sensors, software, network connectivity, and necessary electronics to generate and share run-time data that can be studied and used to monitor or control remotely, predict failure, and optimize the design of those machines / devices.
Intellectual Property	An asset that is the result of a creative design or idea, such as patents, copyrights, reusable code, software products and platforms, and gives the owner exclusive rights over its usage, such that no one can copy or reuse the creation without the owner's permission.
Interactive Technology	Allows for a two-way flow of information through an interface between the user and the technology; the user usually communicates a request for data or action to the technology with the technology returning the requested data or result of the action back to the user.
Invested Funds	Funds that are highly liquid in nature and can be readily converted into cash. Invested funds = Cash and Cash Equivalents + Investments + Deposits with banks + Inter-corporate deposits
Involuntary Attrition	A reduction in the workforce due to the employer's decision to terminate employment, instead of the employees' decision to leave.
IoT	See Internet of Things
IP	See Intellectual Property
Key Managerial Personnel	At TCS, this refers to the Chief Executive Officer, Managing Director, Chief Operating Officer, Chief Financial Officer, and the Company Secretary. Please refer to the Company's policy on KMP: http://www.tcs.com/ir-corporate-governance
kL	Acronym for the unit kilo-liters used to measure volume. It is a unit used to measure and report water usage in TCS' offices.
KMP	See Key Managerial Personnel
kWh	Acronym for kilowatt hours used as a unit of measurement of electricity
Large Language Models	This is a language model used to train generative AI, and consists of a neural network with many parameters (typically billions of weights), trained on large volumes of unlabeled text. By tracking words in sequences, it learns both context and meaning in language, enabling it to generate text artifacts that look they were written by humans.
LatAm	Acronym for Latin America
Location Independent Agile	A method to orchestrate globally distributed stakeholders and talent into Agile teams for improved speed to market in large transformational programs. It comprises processes, structure, and the technology that allows enterprises to overcome location constraints and embrace Agile methods on a global scale.
Low-Code, No Code	New software development platforms that offer a drag and drop user interface to allow business users to build custom web or mobile applications without actually having to write the code. The difference between the two is related the extent of programming ability needed. The former might still require some amount of programming, while the latter is entirely drag and drop. In addition to boosting innovation within the enterprise, these platforms also drive up productivity of programmers.
Machine First™ Delivery Model	A model that integrates analytics, AI and automation deep within the enterprise to redefine how humans and machines work together and to effectively deliver superior outcomes.
Machine Learning	A type of artificial intelligence that provides computers with the ability to learn behaviors without being explicitly programmed.
Managed Services	This is the practice of outsourcing to one service provider, also knowns as the Managed Services Provider (MSP), the end-to-end responsibility for providing, or orchestrating the provision through third party providers of, services around a range of processes and functions, in order to improve efficiency, service quality, agility and scalability.
Managed Services Provider	Service providers with the sole, end-to-end responsibility of providing Managed Services.
Market Capitalization	The total market value of a company's total outstanding equity shares at a point in time. Market Capitalization = Last Trading Price * Total number of outstanding shares
MEA	Acronym for Middle East and Africa

Metaverse	A virtual 3D environment that a user can experience explore on a computer or VR headset. Users can interact with each other in several ways, including social networking, gaming, and shopping.
MFDM™	Acronym for Machine First Delivery Model
Minimum Viable Product	The most basic version of a new product built in an agile development cycle, with the bare minimum functionality, made available to users at the earliest to get user feedback and validate product value with minimum investment. Once validated, its features and functionalities are continually augmented in subsequent iterative cycles.
MJ	Acronym for Mega Joule used as a unit of measurement of energy (electricity as well as fuel use)
Mobility	Information, convenience, and social media all combined together, and made available across a variety of screen sizes and hand-held devices.
Moonlighting	Working more than one job at a time, taking on assignments from third parties in addition to a regular employment, usually without the employer's knowledge.
MSP	See Managed Services Provider
MVP	See Minimum Viable Product
MWh	Acronym for megawatt hours used as a unit of measurement of electricity. 1 MWh=1000kWh
Net Zero	Greenhouse gases emitted into the atmosphere due the company's activity are minimized through a series of initiatives and the residual emission is compensated by removal of equivalent amount of GHG emissions elsewhere through carbon offsets.
Non-Controlling Interests	The share of the net worth attributable to non-controlling shareholders of the subsidiaries.
Non-discretionary Spend	Also known as Run the Business (RTB) spend, is that portion of the IT budget that covers the basic IT activities required to keep a business running. Even in tough economic times, non-discretionary spend remains relatively unaffected.
Operating Model	The manner in which processes are defined and activities are organized to create and deliver value to a target audience. An IT operating model covers activities around new system development, application and infrastructure support whereas business operating models address execution of actions specific to a business function.
Operating Model Transformation	Redefining individual processes by embedding AI, machine learning and other forms of automation to reduce the need for human intervention, resulting in a leaner operating model that is faster, more agile and more resilient. Such transformations – whether in IT or business – can be significantly accelerated by the use of TCS Cognix.
Options Contract	A hedging instrument that offers the buyer the right to buy or sell the underlying asset (such as stocks or currency) on a future date, at a specified price, for small upfront fee called options premium. Eg: TCS purchases an options contract to sell USD 1million @ ₹ 87/$ after 3 months, paying an option premium of ₹ 1 million. With this, TCS will have the right to sell USD 1million at an exchange rate of ₹ 87, even if the prevailing market rate at the end of three months is, say ₹ 85. On the other hand, if the market rate is higher, say ₹ 89, then TCS can choose to let the options contract lapse and instead sell at the market rate.
Order Book	See Total Contract Value
Organic Growth	The revenue growth a company can achieve by increasing its existing business activity. This does not include growth attributable to takeovers, acquisitions or mergers.
PAS 2060	It is an internationally recognized standard by the British Standards Institution to verify and substantiate an organization' claim of carbon neutrality.
PaaS	See Platform as a Service
Personalization	Segmentation and responding to individual transactions, customized for a single customer in a single instance.
Platforms	A group of technologies that are used as a base upon which other applications, processes or technologies are developed. Useful for optimizing costs and efforts, and eliminating iterative tasks to drive strategic business initiatives.
Platform as a Service (PaaS)	A category of cloud computing that provides a platform and environment to allow developers to build applications and services over the internet. PaaS services are hosted in the cloud and accessed by users simply via their web browser.
Power Usage Effectiveness	It is the ratio of total amount of electricity used by a data center facility to the electricity used by the computing equipment in the data center.

Pricing	The price charged to the customer for a billable effort, turnkey project or a certain process outcome, depending on the nature of the contract. Some use this term interchangeably (and somewhat inaccurately) with the average revenue realized by the company per utilized effort on an aggregate basis. See Realization.
Private Cloud	Refers to a model of cloud computing where IT infrastructure, in terms of compute and storage resources, are provisioned for the dedicated use of a single organization.
Product	In the technology context, refers to a packaged software program that is made available to multiple customers either on a license basis, or on a subscription basis, to enable the execution of certain common tasks or processes or business functions in a standardized way. This is the opposite of bespoke or custom software which is built to specifications to meet a customer's unique needs.
Public Cloud	A computing service model used for the provisioning of storage and computational services to the general public over the internet. Public cloud facilitates access to IT resources on a 'pay as you go' billing model.
PUE	See Power Usage Effectiveness
R&I	Acronym for Research & Innovation
Realization	The revenue received by the company per utilized effort. Pricing varies by service and by market. Consequently, there can be changes in realization compared to a prior period, due to changes in the underlying business or geographic mix during the period. This does not necessarily mean that like-to-like pricing has changed. Also, realization doesn't take into account the costs and therefore, higher realization is not necessarily more profitable.
RECs/ GOs	Renewable Energy Certificates / Guarantees of Origin are EACs used in different markets.
Related Party Transactions	Any transaction between a company and its related party involving transfer of services, resources or any obligation, regardless of whether a price is charged. Please refer to the Company's policy on Related Party Transactions: http://www.tcs.com/ir-corporate-governance.
Revenue	The income earned by the Company from operations by providing IT and consulting services, software licenses, and hardware equipment to customers.
RFP	Acronym for Request for Proposal, meaning a document that solicits proposal, often made through a bidding process, by an entity interested in procurement of IT services, to potential service providers to submit business proposals. An RFP is floated early in the procurement cycle and requested information may include basic corporate information and history, financial information, technical capability and estimated completion period, and customer references.
Robotic Process Automation	The use of software tools to automate high-volume, repeatable tasks that previously required humans to perform. RPA is best suited for relatively simple and stable processes. Dynamic changes in the environment require ongoing upkeep of the robots, diluting the economic benefit of the automation. Increasingly, customers are preferring cognitive automation over RPA.
RPA	See Robotic Process Automation
SBWS™	See Secure Borderless Workspaces
Scope 1, Scope 2, Scope 3 emissions	Green house gas emission accounting categories as per the Greenhouse Gas Protocol.
Secure Borderless Workspaces™	TCS' innovative operating model rolled out in response to the COVID-19 disruption. It is a fully location agnostic extension of the Location Independent Agile model, enabling employees to work remotely, while retaining the same high rigor in project management, governance and security. The fully distributed nature of this model is better suited to ensure business continuity. It leverages TCS' prior investments and incorporates the learnings and best practices around network management, standard service delivery environment, digitized governance processes, heavy use of collaborative and cloud based technologies and an internal SOC benchmarked to the best in the industry.
Security Operations Center	A Security Operations Center is responsible for protecting an organization against cyber threats. SOC analysts perform round-the-clock monitoring of an organization's network and investigate any potential security incidents.
SEZ	See Special Economic Zone
Shareholder Payout Ratio	The proportion of earnings paid to shareholders as compared to the Company's earnings, i.e. Net Income attributable to Shareholders of the Company. Payout can be in the form of dividend and share buyback, including taxes thereon.
Simplification	The rationalization of IT architectures through consolidation of systems and elimination of redundant systems and layers. The primary purpose is to shrink the IT footprint and make operations leaner and more efficient.
SOC	See Security Operations Center

Sole Sourced Contract	Non-competitive agreements that allow a single vendor to fulfill the needs of the contractual requirements. These types of contracts can be won when the competitor set narrows down significantly and comes down to a single vendor discussion, given the nature of the client's solution requirements.
Special Economic Zone	In India, these are designated areas in which business and trade laws are different from the rest of the country, with various benefits and tax breaks to promote exports, attract investments, and create local jobs.
STEM	An acronym for education in the fields of science, technology, engineering and math.
T&M	See Time and Materials Contract
TCFD	Acronym for Task Force on Climate-related Financial Disclosures
tCO2e	Acronym for tonnes of carbon dioxide equivalent
TCS Pace™	A brand promise that represents the way TCS channels its domain knowledge and organizational units – business and technology services, industry solutions units, and the research and innovation organization – into internal and external co-innovation programs.
TCS Pace Port™	Physical spaces where TCS Pace can be experienced. These spaces are close to academic and start-up hubs, and enclose innovation showcases, Agile workspaces and think spaces. They encourage brainstorming, design thinking and collaborative innovation with internal and external partners.
TCV	See Total Contract Value
Time and Materials Contract	A form of services contract where the customer is billed for the effort (in hours, days, weeks, etc.) logged by the project team members. Project risk is borne by the customer. This contrasts with Fixed Price Contracts.
Total Contract Value	An aggregation of the value of all the contracts signed during a period and a useful indicator of demand, and near term business visibility.
Turnkey Contracts	See Fixed Price Contracts
Unearned and Deferred Revenue	For invoices raised in line with agreed milestones for services yet to be delivered. In other words, it is the amount that has been invoiced although the underlying effort is yet to be expended.
Vendor Consolidation	A strategy to reduce costs and the overheads of managing a large number of vendors. Usually entails aggregating work currently outsourced to a large number of small providers, and transferring it to a smaller, select set of winning bidders. Besides cost reduction, clients use this to reduce complexity and accelerate their cloud transformation journeys. Selecting a single strategic partner with end to end capabilities to maintain the legacy estate and support the modernization drives efficiency, accountability and speed.
Virtual Reality	Artificial, computer-generated simulation or recreation of a real-life environment or situation. It engages users by offering simulated reality experiences firsthand, primarily by stimulating their vision and hearing.
Virtualization	The abstraction of IT resources – like a server, client, storage or network – that masks the physical nature and boundaries of those resources from the users of those resources.
Voluntary Attrition	Refers to reduction in workforce resulting from employees willingly leaving the organization to pursue other opportunities, spend time with family, or for some other personal reason.
VR	See Virtual Reality
XR	Extended reality, an umbrella term that covers augmented reality, virtual reality and mixed reality.
Y-o-Y	Year-on-Year

Disclaimer: This glossary is intended to help understand commonly used terms and phrases in this report. The explanations are not intended to be technical definitions. If explanations provided here are found to be different from what is described in the Company's periodic financial statements (not limited to Notes to Accounts), then the definition provided in the certified financial statements will prevail.

TCS was ranked amongst the second most Valuable IT Services Brand

Brand Finance Awards

Jaguar TCS
Racing 2022

TCS London
Marathon 2022

TCS Summit
North America 2022

Awards & Recognition

Top Employer United States of America 2023 · Top Employer North America 2023 · Brand Finance Awards 2023 Top 2 Most Valuable IT Services Brand · Gold 2023 Stevie Winner for Sales & Customer Service · FutureBrand · The Stevie Awards for Great Employers · Kantar BrandZ 2022 Most Valuable Indian Brands

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LinkedIn · Hurun India Burgundy · bt500 · #1 in Customer Satisfaction 2021/22 Europe · Tech Market View

The Drum · FinanceAsia 2022 · Civic 50 · FTSE4Good · Superbrands · atd BEST · Brandon Hall Group

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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, cyber attacks or security breaches, 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.

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